Historic, archived document

Do not assume content reflects current scientific knowledge, policies, or practices.

LEGISLATIVE HISTORY

Public Law 87-793
H. R. 7927

TABLE OF CONTENTS

Index and summary of H. R. 7927.....1
Digest of Public Law 87-793.....2

INDEX AND SUMMARY OF H. R. 7927

June 29, 1961	Rep. Henderson introduced H. R. 7927 which was referred to the House Post Office and Civil Service Committee. Print of bill as introduced and remarks of Rep. Henderson.
Sept. 7, 1961	House committee reported H. R. 7927 with amendments. H. Report No. 1155. Print of bill and report.
Sept. 14, 1961	Rules Committee reported a resolution for consideration of H. R. 7927. H. Res. 464, H. Rept. No. 1189. Print of resolution and report.
Sept. 15, 1961	House began debate on H. R. 7927.
Jan. 10, 1962	Rep. Morrison introduced H. R. 9531 which was referred to the House Post Office and Civil Service Commiteee. Print of bill as introduced.
Jan. 23, 1962	House continued debate on H. R. 7927.
Jan. 24, 1962	House passed H. R. 7927 with amendments.
Jan. 25, 1962	H. R. 7927 was referred to the Senate Post Office and Civil Service Committee. Print of bill as referred.
Feb. 20, 1962	Both Houses received the President's Federal pay reform message. H. Document No. 344. Print of document.
Feb. 28, 1962	Rep. Murray introduced H. R. 10480 which was referred to the House Post Office and Civil Service Committee. Print of bill as introduced.
Aug. 2, 1962	House committee ordered H. R. 9531 reported.
Sept. 24, 1962	Senate committee reported H. R. 7927 with amendment. S. Report No. 2120. Print of bill and report.
Sept. 25, 1962	Senate began debate on H. R. 7927.
Sept. 26, 1962	Senate continued debate on H. R. 7927.
Sept. 27, 1962	Senate passed H. R. 7927 with amendments. Print of bill as passed by Senate.
Sept. 28, 1962	Rep. Gross objected to request to send H. R. 7927 to conference.

Oct. 1, 1962 — House, under suspension of the rules, agreed to H. Res. 818 sending H. R. 7927 to conference.

House and Senate conferees were appointed.

Oct. 2, 1962 — Conferees, in executive session, agreed to file conference report on H. R. 7927.

House committee reported H. R. 9531 with amendments. H. Report No. 2509. Print of bill and report.

Oct. 3, 1962 — Both Houses received and the Senate agreed to the conference report on H. R. 7927. H. Report No. 2525. Print of report.

Oct. 4, 1962 — Point of order by Rep. Gross against the conference report was sustained, and conferees were appointed for a further conference.

Both Houses received and Senate agreed to second conference report. H. Report 2532.

Oct. 5, 1962 — House agreed to conference report.

Oct. 11, 1962 — Approved: Public Law 87-793.

President's message when signing.

HEARINGS: Senate Post Office and Civil Service Committee on H. R. 7927.

House Post Office and Civil Service Committee on H. R. 6418.

POSTAL SERVICE AND FEDERAL EMPLOYEES SALARY ACT OF 1962. Establishes the policy of the Congress that pay of Federal civilian personnel shall be established upon the principles of equal pay for substantially equal work with pay distinctions maintained in keeping with work and performance distinctions, and that Federal Salaries shall be comparable with salaries in private enterprise for the same levels of work. Provides that the President shall have prepared annually a report comparing salary rates of Federal employees with rates paid for the same levels of work in private industry, and that he shall submit an annual report to the Congress containing this comparison with recommendations for revision of Federal statutory salary schedules, salary structure, and compensation policy as he deems advisable. Provides that when the President or his designee finds that the salary rates in private enterprise for an occupation in any particular location are so substantially above the salary rates of Federal statutory pay schedules as to handicap significantly the Government in recruiting and retaining well-qualified persons he, or his designee, may establish for such location higher minimum rates of basic compensation. Contains revised compensation schedules providing salary increases for Federal classified employees, and salary conversion rules for the two phases of the salary adjustment plan to become effective on the first day of the first pay period which begins on or after the date of enactment (first phase) and on January 1, 1964 (second phase). Replaces the former periodic step increases and longevity step increases with 10 regular steps for GS-1 through GS-10, 9 regular steps for GS-11 through GS-14, 8 regular steps for GS-15, 5 regular steps for GS-16 and GS-17, and a single rate for GS-18, Provides for periodic step increases for all grades following the completion of 52 calendar weeks of service in steps 1, 2, and 3, 104 weeks in steps 4, 5, and 6, and 156 weeks in steps 7, 8, and 9, provided an employee's work is of an acceptable level of competence as determined by the head of the department in which employed. Authorizes additional step increases in recognition of high wuality performance above that ordinarily found in the type of position concerned. Provides that when an employee is promoted to a higher grade position he shall receive a salary at the lowest rate of the higher grade which exceeds his existing rate by not less than two step increases of the grade from which promoted. Increases from 1,989 to 2,400 the limitation on the number of positions the Civil Service Commission may authorize to be placed in grades GS-16, 17, and 18, and excludes from this limitation engineering research and development positions and positions in the physical sciences, natural sciences, and medicine. Provides that the salary rates of scientific and professional positions under Public Law 313, 80th Congress, shall range from the minimum salary of GS-16 to the highest rate of GS-18 (instead of from $12,500 to $19,000). Establishes the salary of five positions of technical experts in the Department of Agriculture engaged in research in foot-and-mouth and other animal diseases at not to exceed the maximum salary rate of GS-18. Extends to agricultural stabilization and conservation county committee employees salary increases comparable to those provided in the act for classified employees. Provides a five percent increase, effective January 1, 1963, in all annuities then payable under the civil service retirement fund, and applies the increase on a graduated reduction basis to all annuities which commence in the four-year period following January 1, 1963. Provides for later adjustments in retirement annuities, after January 1, 1954, based on cost of living.

87TH CONGRESS
1ST SESSION

H. R. 7927

IN THE HOUSE OF REPRESENTATIVES

JUNE 29, 1961

Mr. HENDERSON introduced the following bill; which was referred to the Committee on Post Office and Civil Service

A BILL

To adjust postal rates, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Postage Revision Act of 1961".

POSTAL POLICY

SEC. 2. (a) Section 2302 (c) (4) of title 39, United States Code, is amended by striking out "deemed to be attributable to the performance of public services under section 2303 (b) of this title" and inserting in lieu thereof "de-

termined under section 2303 of this title to be attributable to the performance of public services".

(b) Section 2303 (a) of title 39, United States Code, is amended—

(1) by amending the heading so as to read "**§ 2303. Identification of public services and costs thereof**";

(2) by striking out paragraph (2) and renumbering the succeeding paragraphs accordingly; and

(3) by adding at the end thereof the following new sentence:

"The terms 'total loss' and 'loss' as used in this subsection mean the amounts by which the total allocated costs incurred by the postal establishment in the performance of the public services enumerated in this subsection exceed the total revenues received by the postal establishment for the performance of such public services."

(c) Section 2303 (b) of title 39, United States Code, is amended to read as follows:

"(b) The Postmaster General shall report to the Congress, on or before April 1 of each year beginning with the year 1962, the estimated amount by which, in the then current fiscal year, the cost incurred by the postal establishment in the performance of each of the public services enumerated in subsection (a) of this section exceeds the revenue received

by the postal establishment for the performance of each such public service. The aggregate amount by which, in any fiscal year, the costs incurred by the postal establishment in the performance of such public services exceed the aggregate amount of the revenues received by the postal establishment for the performance of such public services shall be excluded from the total cost of operating the postal establishment for purposes of adjustment of postal rates and fees."

(d) The table of contents of chapter 27 of title 39, United States Code, is amended by striking out

"2303. Identification of and appropriations for public services."

and inserting in lieu thereof:

"2303. Identification of public services and costs thereof.".

FIRST-CLASS MAIL

SEC. 3. Section 4253 of title 39, United States Code, is amended by striking out the words "four" and "three" wherever appearing in subsection (a) and inserting in lieu thereof the words "five" and "four", respectively.

AIRMAIL

SEC. 4. Section 4303 of title 39, United States Code, is amended—

(1) by striking out the word "seven" in subsection (a) and inserting in lieu thereof the word "eight";

(2) by striking out the word "five" in subsection (b) and inserting in lieu thereof the word "six"; and

(3) by striking out the phrase "3 cents an ounce or fraction thereof" in paragraph (2) of subsection (d) and inserting in lieu thereof the phrase "the rate of postage for other first-class mail matter".

SECOND-CLASS MAIL BEYOND COUNTY OF PUBLICATION

SEC. 5. Section 4359 of title 39, United States Code, is amended—

(1) by striking out so much of subsection (b) as precedes the table and inserting in lieu thereof the following:

"(b) (1) Subject to the minimum rate provided for publications of qualified nonprofit organizations and classroom publications by section 4360 of this title, the rates of postage on publications mailed in accordance with subsection (a) of this section are fixed both by the piece as provided in paragraph (2) of this subsection and by the pound as provided in the following table:

"[In cents]"; and

(2) by adding at the end of subsection (b) a new paragraph (2), as follows:

"(2) The piece rates of postage are charged on each individually addressed copy of a publication (except a publication of a qualified nonprofit organization and a classroom

publication) mailed in accordance with subsection (a) of this section in addition to the pound rates. The piece rates are as follows:

"Publications other than classroom publications and other than publications of qualified nonprofit organizations—½ cent, effective on and after January 1, 1962, and before January 1, 1963; and 1 cent, effective on and after January 1, 1963."

MINIMUM POSTAGE RATES ON SECOND-CLASS MAIL

SEC. 6. (a) Section 4360 of title 39, United States Code, is amended to read as follows:

"§ 4360. Minimum postage for second-class mail

"The minimum rate for each individually addressed copy of a publication of a qualified nonprofit organization and for each individually addressed copy of a classroom publication, mailed for delivery within or beyond the county of publication, is ⅛ cent. The minimum rate for each individually addressed copy of a publication (other than a publication of a qualified nonprofit organization or a classroom publication) mailed before January 1, 1962, for delivery within or beyond the county of publication is ½ cent."

(b) The analysis of chapter 63 of title 39, United States Code, is amended by deleting

"4360. Minimum postage."

and inserting in lieu thereof

"4360. Minimum postage for second class mail.".

CONTROLLED CIRCULATION PUBLICATIONS

SEC. 7. Section 4422 of title 39, United States Code, is amended by striking out "1 cent" and inserting in lieu thereof "3 cents".

THIRD-CLASS MAIL

SEC. 8. (a) Section 4451 (a) of title 39, United States Code, is amended, effective on the date of enactment of this Act—

(1) by striking out the word "and" at the end of paragraph (2) thereof;

(2) by striking out the period at the end of paragraph (3) thereof and inserting in lieu of such period a semicolon and the word "and"; and

(3) by adding immediately below such paragraph (3) a new paragraph (4), as follows:

"(4) not mailed during the period December 15 to December 25, inclusive, of each year.".

(b) Section 4452 of title 39, United States Code, is amended—

(1) by amending the table in subsection (a) to read as follows:

"Type of mailing	Rate	Unit
	Cents	
(1) Individual piece	4	First 2 ounces or fraction thereof.
	1½	Each additional ounce or fraction thereof.
(2) Bulk mailings under subsec. (e) of this section of—		
(A) Books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions and plants—		
(i) Qualified nonprofit organizations.	10	Each pound or fraction thereof.
(ii) Others	12	Do.
(B) Other matter	16	Do."

;

(2) by amending the table in subsection (b) to read as follows:

"Mailed by—	(In cents)
Other than qualified nonprofit organizations	3
Qualified nonprofit organizations	1¼" ;

and

(3) by striking out "six cents" in subsection (c) and inserting in lieu thereof "four and one-half cents".

EDUCATIONAL AND LIBRARY MATERIALS

SEC. 9. Section 4554 of title 39, United States Code, is amended—

(1) by amending that part of subsection (a) which precedes paragraph (1) to read as follows:

"(a) Except as provided in subsection (b) of this section, the postage rate is 9 cents a pound for the first pound or fraction thereof and 5 cents for each additional pound or

fraction thereof, except that the rates now or hereafter prescribed for third- or fourth-class matter shall apply in every case where such rate is lower than the rate prescribed in this subsection on—

(2) by amending paragraph (5) of subsection (a) to read as follows:

"(5) sound recordings;";

(3) by striking out the period at the end of paragraph (6) of subsection (a) and inserting in lieu thereof a semicolon and the word "and";

(4) by adding at the end of subsection (a) the following:

"(7) printed educational reference charts, permanently processed for preservation.";

(5) by inserting "(including cooperative processing by libraries)" immediately following "loaned or exchanged" in paragraph (1) of subsection (b);

(6) by striking out the word "students'" immediately preceding the word "notations" in paragraph (2) of subsection (b);

(7) by striking out:

"(D) bound volumes of periodicals;

"(E) phonograph recordings; and"

in paragraph (2) of subsection (b) and inserting in lieu thereof:

"(D) periodicals, whether bound or unbound;

"(E) sound recordings; and"; and

(8) by striking out "and catalog of those items" in subsection (c) and inserting in lieu thereof "scientific or mathematical kits, instruments, or other devices and catalogs of those items, and guides or scripts prepared solely for use with such materials".

METHOD OF DETERMINING GROSS RECEIPTS

SEC. 10. Section 711(c) of title 39, United States Code, is amended by striking out "Public Law 85–426" and inserting in lieu thereof "any Act of Congress enacted on or after May 27, 1958".

EFFECTIVE DATES

SEC. 11. Except as otherwise provided in this Act, the provisions of this Act shall become effective as follows:

(1) Sections 1, 2, 6, 8(a), 9, 10, and this section shall become effective on the date of enactment of this Act.

(2) Sections 3 and 4, and the rate adjustments provided for individual pieces by section 8(b), shall become effective on October 1, 1961.

(3) Sections 5 and 7, and the rate adjustments (other than the rate adjustments for individual pieces) provided by section 8(b), shall become effective on January 1, 1962.

87TH CONGRESS
1ST SESSION

H. R. 7927

A BILL

To adjust postal rates, and for other purposes.

By Mr. HENDERSON

JUNE 29, 1961

Referred to the Committee on Post Office and Civil Service

McCloy, has been working on for many months and I commend him and his staff for the excellent proposal produced, for I feel it fully meets the objectives of the National Peace Agency bill which 33 Members and myself introduced early in this session. I urge that other Members join in giving full and bipartisan support to this new legislation to implement American policy in the quest for a peaceful and secure world.

Mr. Speaker, I ask unanimous consent that all Members desiring to do so may extend their remarks on the same subject at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, yesterday I supported the largest peacetime appropriation ever voted for the Defense Department. Today I join my colleagues in introducing the administration's bill to create a U.S. Disarmament Agency for World Peace and Security.

This is perfectly consistent. We must be militarily strong before we can negotiate with the Communists. Yet, as leader of the free world we must always be ready to negotiate. In the words of President Kennedy, "We dare not tempt them with weakness. For only when our arms are sufficient beyond doubt can we be certain beyond doubt that they will never be employed."

This bill provides us with the diplomatic, scientific, and technical organization to beat the Communists at the conference table.

This bill will be a means of regaining our lost diplomatic initiative. It will provide the team to take the battle to the Communists and, with research and knowledge enter into disarmament negotiations which are so important to survival of the world.

This bill and the Defense Department appropriation give us the means to carry out the President's pledge in his inaugural address, when he said, "Let us never negotiate out of fear. But let us never fear to negotiate."

Mr. RODINO. Mr. Speaker, the most serious problem that faces our Nation today is that of preserving the precarious balance of peace.

It was because of this thinking that a few years ago, I introduced a bill for the creation of a National Peace Agency.

To my mind, if we hope to create a better world in which mankind may live free from the threat of wholesale destruction then it becomes imperative that we focus our energies and efforts in that direction.

An agency able to devote its time entirely to the solution of the many faceted problems of disarmament, security, and world peace, would be a great step forward. The slow, tortuous path toward disarmament for world peace and security must be backed by a thorough technical and scientific preparation on our part. Whatever the cost of such an agency, the total expenditure would seem small when our immense military budget is considered.

For some years now, I have advocated that the achievement of peace and disarmament should be the mission of a separate, single agency. This agency devoting its time and resources to the solution of such problems would be an immeasurable contribution to the creation of world peace.

Such an agency would create a very favorable impression abroad as to our concern with world peace. We would be demonstrating by the creation of such a peace agency that the United States is ready to take the initiative in preserving peace, procuring disarmament and arms litigation agreements.

The President's message today proposing the establishment of a U.S. Disarmament Agency for World Peace and Security shows dramatically and forthrightly to the people of the world our belief and our faith in the possibility of disarmament for world peace. The President's proposal should generate a strong impulse to awaken people to the need for preventing world destruction and creating a climate for world peace.

Our great President has once again spoken with wisdom, courage, and strong feeling on the subject of disarmament and world peace. His voice should give hope to people all over the world.

Recognizing the full import of the President's message dealing with this proposal, I am privileged, Mr. Speaker, to add my voice urging the establishment of a U.S. Disarmament Agency for World Peace and Security by sponsorship of a bill covering the President's proposal.

Mr. MOELLER. Mr. Speaker, I wish to express my great satisfaction and pleasure in joining my colleagues today in sponsoring the Administration bill to establish a U.S. Disarmament Agency for World Peace and Security. As you know, on February 17 of this year I introduced H.R. 2267 to create a National Peace Agency. In addition, on March 6, I wrote to Mr. Kennedy urging his most careful and expeditous consideration to the creation of an effective peace agency within the Federal Government. Permit me to quote from that letter:

> I will not soon forget the stirring words with which you characterized the task before us:
>
> "But neither can two great and powerful groups of nations take comfort from our present course—both sides overburdened by the cost of modern weapons, both rightly alarmed by the steady spread of this deadly atom, yet both racing to alter that uncertain balance of terror that stays the hand of mankind's final war. * * * Let both sides, for the first time, formulate serious and precise proposals for the inspection and control of arms—and bring the absolute control of all nations. Let both sides seek to invoke the wonders of science instead of its terrors. Together let us explore the stars, conquer the deserts, eradicate disease, tap the ocean depths, and encourage the arts and commerce. Let both sides unite to heed in all corners of the earth the command of Isaiah—to 'undo the heavy burdens * * * (and) let the oppressed go free.' And if a beachhead of cooperation may push back the jungle of suspicion, let both sides join in creating a new endeavor, not a new balance of power, but a new world of law, where the strong are just and the weak secure and the peace preserved."
>
> Mr. President, the spontaneous and tremendous response you have received from the American people on your projected Peace Corps is proof enough of the wholehearted support you may expect to receive in your efforts to work out effective programs for arms limitation. This support will come from men of good will throughout the Nation and from the Congress.
>
> As evidence of this support from the legislative branch of the Government I might cite the many bills to establish a National Peace Agency introduced during the current session of Congress.
>
> It is imperative that the task be initiated with vigor and without delay. I am confident that the Congress will respond to your call.
>
> It is no small satisfaction to me and to many millions of Americans that we are able to rely on thoughtful and decisive Executive action in these difficult times. I urge you, therefore, Mr. President, to give the problem of planning for peace your most careful and expeditious consideration so that your recommendations to the Congress may be made in the near future.

Mr. Speaker, I have been most gratified that the President and his chief disarmament adviser, Mr. John J. McCloy, have given this matter their wholehearted and enthusiastic support. The administration bill not only fully meets the objectives of my Peace Agency bill but it goes a step further and contemplates that the new Disarmament Agency, besides being a vital institute for research into the many and difficult problems surrounding this grand quest for peace on earth, but it will be the governmental agency charged with the primary responsibility for conducting actual disarmament negotiations. The Director of the Agency will have direct access to the President. The weighty responsibilities he will bear include the formulation of policy recommendations for the President, the Secretary of State, and the Congress as well as intensive research to determine methods to keep the peace in a disarmed world.

I strongly urge Republicans and Democrats of both House and Senate to join in supporting this momentous endeavor. The quest for peace is a long and tortuous journey, the goal will not be achieved overnight, but I feel that the establishment of a National Disarmament Agency, such as outlined in this bill, will constitute a real milestone. It will serve notice to the world of our sincere intentions in the current negotiations on disarmament and on an enforceable nuclear test ban. It will show that we are prepared for all the eventualities and consequences of disarmament—which according to thoughtful men, will be far reaching, to say the least.

But, above all, it will serve to unite the free world, and attract the sympathy and understanding of the uncommitted world to work with us for genuine and assured disarmament—the sine qua non of a world in which our posterity may live in peace.

Mr. RYAN. Mr. Speaker, today I have the privilege of cosponsoring the bill to establish a U.S. Disarmament Agency for World Peace and Security which has the support of the President, the Secretary of State, the Secretary of Defense,

and the President's Special Adviser on Disarmament.

The problem of disarmament is perhaps the gravest challenge facing the world. If we are to survive, the arms race must be brought under effective international control, and we must plan for peace. In the past insufficient consideration has been given to this question. The President's Special Adviser on Disarmament, John J. McCloy, has been obliged to enter disarmament negotiations without the benefit of studies in depth and the necessary planning which should have been undertaken during past years. Today there are only between 65 and 85 Government employees engaged in this vital area. The annual budget for disarmament study has been around $1 million. Compare that with the $42 billion we voted yesterday for defense.

Trevor Gardiner, Assistant Secretary of the Air Force during the Eisenhower administration, stated:

Most of our notions on the subject of disarmament have been developed by essentially part-time people, who are busy with defense, state, or some other interest so that they don't really have the time to think full-time on the subject.

On January 24, 1961, along with other Members, I introduced a bill (H.R. 3203) to create a National Peace Agency. Since then several of us have been consulting with officials of the U.S. Disarmament Agency and the President's advisers in an effort to obtain administration support for a broadly conceived bill, which would create a new agency for peace directly responsible to the President and Secretary of State with its own facilities to conduct both negotiations and research on a wide range of questions. Yesterday we conferred with the President and Mr. McCloy and were impressed with their understanding of the problem and their approach. The administration proposal which I am cosponsoring is similar in its essentials to H.R. 3203.

I should like to take this occasion to commend the gentleman from Wisconsin [Mr. KASTENMEIER] for the leadership and vision which he has shown on this crucial issue.

The new measure would establish the U.S. Disarmament Agency for World Peace and Security. The Agency is to be headed by a Director who, under the direction of the President and the Secretary of State, shall have primary responsibility within the Government for disarmament matters. The Agency would be concerned with the following functions: the conduct, support, and coordination of research for the formulation of disarmament policy; the preparation for and direction of U.S. participation in international negotiations in the disarmament field; the dissemination and coordination of public information concerning disarmament; the preparation for, operation of, or, as appropriate, direction of U.S. participation in such control systems as may become part of U.S. disarmament activities.

This bill takes cognizance of the fact that the question of disarmament is closely related to the broader questions of war and peace. The agency would conduct research in such areas as the reduction and elimination of the danger of war resulting from accident, including improvements in the methods of communications between nations; the economic and political consequences of disarmament; and the scientific, economic, political, legal, social, psychological, military, and technological factors related to the prevention of war. These problems would be explored with a view to a better understanding of how the basic structure of a lasting peace may be established. It would be authorized to maintain its own research facilities and also utilize the facilities of other Government agencies or outside organizations.

Although disarmament has been a major topic of international discussion since the Baruch plan in 1946, little progress has been achieved. By the time of the Geneva Summit Conference of 1955 both the United States and the Soviet Union possessed nuclear stockpiles. The prevention of surprise attack took precedence over the detection of surreptitious atomic production. The United States presented the open skies plan whereby the United States and the Soviet Union would exchange blueprints of their military establishments and provide for mutual aerial reconnaisance. This plan would have provided an effective early warning system against massive surprise attack. But the Soviets rejected it.

The United States has continued to press for a plan to safeguard against surprise attack. The Geneva negotiations on an agreement for the cessation of nuclear testing have become deadlocked. The situation is quite discouraging. However, we must continue to search for a way to bring about arms control. We must organize and coordinate our efforts toward peace and disarmament within the Government in a way not previously attempted. And we must be prepared for the next session of the United Nations where the matter of disarmament will be of great concern to all nations.

The establishment of the U.S. Disarmament Agency for World Peace and Security would be a concrete step toward the goal of bringing "the absolute power to destroy other nations under the absolute control of all nations"—President Kennedy's inaugural address, January 20, 1961.

Mr. O'HARA of Illinois. Mr. Speaker, I commend the distinguished gentleman from Wisconsin [Mr. KASTENMEIER] for the great time and effort he has put into this proposed legislation for a Peace and Disarmament Agency. I was happy to join with him as a sponsor when the bill was introduced some time ago and I am glad of the opportunity now to be one of the sponsors of the bill that has just come from the White House and which has been introduced by the outstanding chairman of the Committee on Foreign Affairs, the Honorable THOMAS E. MORGAN.

It was my privilege yesterday to be a member of the group from this body with whom President Kennedy met and made very clear to us his deep interest in this measure. Peace and disarmament, with foolproof inspection, are closest to the hearts of the American people than anything else. Attainment of world peace and of disarmament, protected by inspections against violations, can be accomplished, and to that end President Kennedy has dedicated his heart, his mind, and all the industry that one can put in a task he is determined shall be done. I have the confidence that he will have the full support of the Congress.

This month was passed a bill that is now Public Law 53. It authorizes expenditures of almost $13 billion for ships, missiles, and aircraft for the year 1962. If through our efforts and our prayers peace is accomplished and the nations of the world have disarmed, these billions of dollars, now used to build arms to kill people, can be used to make richer the lives of our people and to broaden the horizons of human contentment. I trust that when the bill introduced today by Chairman MORGAN and by many others as sponsors reaches the floor of the House, it will pass unanimously.

POSTAL RATE BILL

(Mr. HENDERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HENDERSON. Mr. Speaker, I am today introducing legislation which I had intended to propose as a substitute for the postal rate bill H.R. 6418 now before the House Post Office and Civil Service Committee.

I am gratified that the committee took from the table H.R.6418 and that the bill is again under active consideration. Further than that, we have set a specific date, July 11, for resumption of this consideration.

The bill which I am introducing contains what the Postmaster General considers to be the very minimum increases which should be enacted. In my judgment, these proposed minimum increases take into consideration the many issues developed in the public hearings on the postal rate question.

My purpose in introducing this legislation at this time is to provide the Members with an opportunity to study it between now and July 11.

I hope that favorable action can be taken on that date and that final action will be taken on the postal rate question by both Houses of Congress.

This new bill (H.R. 7929) makes changes in the existing provisions of H.R. 6418. These changes fall into two categories.

First, changes are made in postal policy and certain related matters. Second, based primarily upon such changes in postal policy, downward revisions are made in the specific rate-increase proposals now contained in H.R. 6418, as introduced. The provisions of my new bill are as follows:

SHORT TITLE

Section 1 of the new bill, providing a short title, is the same as section 1 of H.R. 6418.

POSTAL POLICY

Section 2 of the bill contains important changes in postal policy. It is the purpose of this section finally to establish a workable and working public service postal policy by clarifying and strengthening those parts of the Postal Policy Act of 1958 relating to public service and by correcting inadequacies and shortcomings of the public service provisions now contained in that act.

Subsection (a) of the new section 2 replaces the existing indefinite and vague provision for determining and applying the principle of public service by specific and definitive language for making an absolute and accurate determination under section 2303 of the Postal Code—title 39, United States Code—to accomplish the full intent and purpose of the Postal Policy Act of 1958, relating to public services.

Subsection (b) of the new section 2 makes the implementing changes in the provisions of the Postal Policy Act of 1958 which are necessary to provide a means for absolute and accurate determinations of the cost of public services for the present and in the future.

This subsection first eliminates from the public service provisions of the Postal Policy Act of 1958 those provisions which declare the "loss" on star routes and second- and third-class post offices to be public service costs. This change is recommended on the basis that it is illogical and an unfair reflection on these fine and necessary parts of our postal service to set their operations apart from other equally—but no more—valuable or essential services (such as city delivery) and to place them in the unfavorable light of charges to the taxpayers while other postal activities of comparable value are not so designated.

Subsection (b) of section 2 also firms up beyond any possible question or doubt the true meaning of the words "total loss" and "loss" as used in the Postal Policy Act of 1958.

This change will remove, once and for all, any argument as to the use of the revenue forgone theory in computing public service costs. With this change, costs of the public service items enumerated in the law will definitely have to be fixed at the difference between income and outgo on each such public service item.

Although the amount will differ each year as costs and revenues vary, the requirement for estimates by the Postmaster General, together with the redefinition of total loss and loss, will automatically provide a firm dollar figure each year.

It is to be noted that subsection (c) of section 2 also provides for the exclusion from total postal operating costs, for purposes of adjusting postal rates and fees, of the public service costs which are to be reported by the Postmaster General each year.

Subsection (d) of section 2 merely makes a technical change in the table of contents of chapter 27 of title 39 of the United States Code—the Postal Code.

FIRST-CLASS MAIL

Section 3 of the new bill is the same as section 2 of H.R. 6418. The new section 3 makes no change in the provisions of section 2 of H.R. 6418, relating to first-class mail, which proposes to increase the rate on first-class letter mail from 4 cents to 5 cents for each ounce or fraction of an ounce and increase the rate from 3 cents to 4 cents on drop letters, post and postal cards, each portion of double post cards, and private mailing cards.

AIRMAIL

Section 4 of the new bill is the same as section 3 of H.R. 6418. The new section 4 makes no change in the provisions of section 3 of H.R. 6418, relating to airmail, which proposed to increase the rate on domestic airmail from 7 cents to 8 cents and increase the rate from 5 cents to 6 cents on airmail postal cards and private mailing or post cards.

SECOND-CLASS MAIL WITHIN COUNTY

The new bill eliminates all of the increases on publications delivered within county of publication that were proposed in section 4 of H.R. 6418. In other words, existing free-in-county and 1-cent per pound incounty rates will not be increased at all.

SECOND-CLASS MAIL BEYOND COUNTY

Unlike section 5 of H.R. 6418, section 5 of the new bill contains no rate increases for publications of qualified nonprofit organizations and classroom publications. This is accomplished by restoring an appropriate reference to section 4360 of the Postal Code—title 39, United States Code—which would have been repealed by H.R. 6418 and providing for continuance of existing minimum second-class postage rates for qualified nonprofit organizations and classroom publications at a later point in the new bill.

The provisions of H.R. 6418 for a per piece charge to be added to the pound rates on publications of qualified nonprofit organizations and on classroom publications is eliminated.

Section 5 of the new bill does, however, provide a moderate and equitable upward adjustment in the existing second-class rates for other publications. Provision of H.R. 6418 for a 1½-cent charge per piece to be added to the pound rates on such other publications is replaced by two-step increases of one-half cent each, eventually totaling 1 cent—that is, the final charge per piece will be only two-thirds of the charge per piece provided by H.R. 6418. The first one-half cent added charge will be effective January 1, 1962, and the second will be effective a year later, on January 1, 1963.

These changes proposed by the new bill in the proposed rates on publications—other than qualified nonprofit organizations and classroom publications—are believed sufficiently moderate and so fairly spaced that the users of the mail can readily adjust to them without undue hardship. At the same time, there is a considerable weight of evidence gained during the hearings that many qualified nonprofit organizations and publishers of classroom publications would be unable to absorb any increase, at least for the present.

Section 6 of the new bill in effect continues the existing minimum second-class rates on publications of qualified nonprofit organizations and classroom publications, since rates on these publications will not be increased at all under the new bill.

CONTROLLED CIRCULATION PUBLICATIONS

Section 7 of H.R. 6418, which proposed to increase both the pound rate and the minimum charge per piece on controlled circulation publications is replaced by section 7 of the new bill which proposes to continue the present pound rate of 12 cents but adopt the increase—provided by H.R. 6418—from 1 to 3 cents in the minimum per piece charge on such publications.

THIRD-CLASS MAIL

Section 8(a) of the new bill is a postal operating policy change. The net effect is to exclude third-class matter from the mails from December 15 through December 25 of each year in the interests of efficiency in the postal service. This is accomplished by adding a new paragraph to the existing definition of third-class mail in the Postal Code.

Section 8(b) of the new bill has the effect of sharply reducing several postage rates on third-class mater as provided in H.R. 6418.

The table amended by section 8(b) shows the changes in individual piece and bulk pound rates.

The change in the individual piece rate is a reduction from 2 cents to 1½ cents in the rate provided by H.R. 6418 for each additional ounce after the first ounce.

The changes in bulk pound rates are first, on books, catalogs, and so forth, the 18 cents pound rate in H.R. 6418 is reduced to 12 cents for bulk mailings of such items by other than qualified nonprofit organizations; and second, bulk mailings of books, catalogs, and so forth, by qualified nonprofit organizations will continue to be at the existing rate of 10 cents a pound—that is, there will be no pound rate increase for such mailings.

The 21 cents pound rate provided by H.R. 6418 for bulk mailings of "other matters"—circulars, and so forth—is reduced to 16 cents per pound by the new bill; that is, the existing rate is unchanged.

The small table in section 8(b) makes two changes in rates proposed by H.R. 6418.

First, it provides a 3 cents minimum per piece charge for bulk third-class mailings of other than qualified nonprofit organizations—in lieu of the 3½ cents minimum charge per piece in H.R. 6418.

Second, it provides for continuance of the existing 1¼ cents per piece minimum charge on bulk third-class mailings by qualified nonprofit organizations—in lieu of the 1¾ cents minimum charge provided by H.R. 6418.

EDUCATIONAL AND LIBRARY MATERIALS

The amendment made by section 9 of the new bill makes two types of changes—one as to rates and one as to materials mailable under existing provisions of law which define the educational and library materials which may be mailed at preferential rates.

The change in rates is accomplished, as follows:

First, the existing "book" rates of 9 cents for the first pound or fraction and 5 cents for each additional pound or fraction is restored, in lieu of the 10-cent and 6-cent rates in H.R. 6418.

Second, the existing "library book" rates of 4 cents for the first pound or fraction and 1 cent for each additional pound or fraction are restored, in lieu of the 5-cent and 3-cent rates provided in H.R. 6418.

The effect of section 9 of the new bill is to make no increase in existing rates on educational and library materials and to clarify the application of existing laws as they specify conditions for mailing educational and library materials at preferential rates.

EFFECTIVE DATES

Section 11 of the new bill contains the effective date provisions of the bill. The proposed effective dates reflect certain postponed and staggered rate adjustments and certain changes in postal policy provided for by the new bill.

PERSONAL EXPLANATION

(Mr. GALLAGHER asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. GALLAGHER. Mr. Speaker, on the record vote concerning the Delaware River compact I voted present. My reason for doing so involved the fact that I might immediately in the future have a personal interest affected. For this reason, in the exercise of my conscience, I have disqualified myself from expressing my opinion or casting my vote.

(Mr. FASCELL asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

[Mr. FASCELL'S remarks will appear hereafter in the Appendix.]

CORRECTION OF ROLLCALL

Mr. VAN ZANDT. Mr. Speaker, on rollcall No. 103 I am recorded as absent. I was present and answered to my name. I ask unanimous consent that the permanent RECORD and the Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

THE QUESTION BEFORE THE AMERICAN PEOPLE TODAY IS WHETHER TO RESUME THE TESTING OF NUCLEAR DEVICES IN THE INTEREST OF OUR NATIONAL SECURITY

(Mr. VAN ZANDT asked and was given permission to address the House for 1 minute and to revise and extend his remarks in the Appendix.)

[Mr. VAN ZANDT'S remarks will appear hereafter in the Appendix.]

ADJOURNMENT TO MONDAY, JULY 3, AND MEETING DAYS THE WEEK OF JULY 3

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Monday next; that when it meets on Monday next, it adjourn to meet on the following Thursday, and that when the House meets on the following Thursday, it adjourn to meet on Monday, July 10.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AUTHORITY TO PERFORM CERTAIN DUTIES DURING RECESS OF THE HOUSE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that notwithstanding any adjournments of the House until Monday, July 10, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found to be truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SECRETARY OF THE AIR FORCE ZUCKERT: "AMERICA'S PEACEFUL OBJECTIVES IN SPACE MUST NOT BE SUBJECT TO INTERDICTION BY AN UNFRIENDLY POWER."

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE. Mr. Speaker, on June 27, Secretary of the Air Force Eugene M. Zuckert gave an outstanding address to the Aero Club of Washington. Secretary Zuckert's remarks put into proper perspective the Air Force mission as he sees it existing today, and as he sees it existing for at least the next decade. Amplifying the importance of the peaceful exploration of space, the mission of NASA, Secretary Zuckert reminds us that America's peaceful objectives in space must not be subject to interdiction by an unfriendly power.

As you know, Mr. Zuckert brought to his present assignment a wealth of experience both in public and private life. A prominent lawyer, he served for 3 years with the U.S. Securities and Exchange Commission; 3 years in the Office of the Chief of Naval Operations; 3 years as one of the first Assistant Secretaries of the Air Force and 2½ years as a member of the U.S. Atomic Energy Commission. His remarks of June 27 are indeed a tribute to his knowledge and keen appreciation of the requirements of aerospace power.

I have known Mr. Zuckert for 15 years. During this time, he has appeared often before the House Armed Services Committee and the Joint Committee on Atomic Energy. I have served through the years on both of these Committees, and along with the other members, I have been greatly impressed by Mr. Zuckert's sincerity and ability.

Under unanimous consent I include his remarks of June 27, entitled "Tomorrow's Job Is Today," at this point in the RECORD:

TOMORROW'S JOB IS TODAY

(Address by Honorable Eugene M. Zuckert, Secretary of the Air Force, Aero Club of Washington, Tuesday, June 27, 1961.)

I am very happy to have an opportunity to speak to the Aero Club of Washington for two reasons:

First, because I feel at home here; second, because this is an influential group.

On the other hand, the pleasure is diluted a bit by the sobering knowledge that this is a tough audience, not cynical, just tough—because you understand the facts of life, political, financial and technological.

But you are also an understanding audience, and a sympathetic one. You have knowledge of the problems of the Nation, and particularly the Air Force, as the aerospace age unfolds, and you are willing to help solve them.

Since I know you are realistic people, I want to be realistic today. I know you can take it, and I know that you are interested in the unglamorous, long-haul problems which confront the Air Force. And when I say long haul, I mean just that. We have a long way to go, and we must carry a heavy burden.

One reason the burden is heavy is that we work continuously in three time periods. What we do in one affects the others, even though our military posture changes from one period to the other.

The three periods are today, tomorrow, and the day after tomorrow.

They overlap. What we do today determines what we can do tomorrow as well as the day after. The things we do today, in maintaining the strength of the Air Force, were determined by what we did yesterday. But they are not only complementary in their cause and effect relation—they are highly competitive for critical resources.

Today's current job is an operating job. Today's job for tomorrow's Air Force is to bring into being—qualified for inventory and application—the things now in development. Today's job for the Air Force of the day after tomorrow is considerably more difficult, and the decisions are critical.

Our survival, and even the survival of freedom, may depend upon how well we do at any one, and all three, of these stages of defense preparation.

The operating job for today's posture involves the management of tremendous resources. We have a very powerful Air Force. I believe its strength is increasing continuously. None of us is ready to say the Air Force is as strong as we would like it to be, but we know it becomes stronger each day.

The Air Force has necessarily been, and continues to be, the main bulwark for deterrence and aggression against the United States. That strategic element of deterrence is being broadened by entry into the force in being of the Navy's Polaris and the Air Force's Titan and Minuteman.

Another element of deterrence is being strengthened and extended by the Army's many improvements, with more precise fitting of the aerial transport and air support of ground operations roles to meet Army's changing needs.

11. PASSED OVER the following bills:
H. R. 6775, to provide for the operation of steamship conferences. p. 17305
H. R. 6141, to limit to cases involving the national security the prohibition on payment of retirement annuities to retired Federal employees. p. 17305
S. 1633, to provide for the establishment of a Department of Urban Affairs and Housing. p. 17309

12. LEGISLATIVE PROGRAM. Sen. Mansfield stated that S. 2180, to establish a U. S. Disarmament Agency for World Peace and Security, will be considered next, followed by consideration of the Mexican farm labor bill. p. 17414

HOUSE

13. APPROPRIATIONS. Received the conference report on H. R. 7035, the Labor-HEW appropriation bill (H. Rept. 1154) (pp. 17429-31). The bill includes $20,250,000 for the Office of Vocational Rehabilitation.
Conferees were granted until midnight Fri., Sept. 8, to file a conference report on H. R. 8302, the military construction appropriation bill. p. 17493

14. RICE. The Agriculture Committee reported without amendment H. R. 9013, to provide for the transfer of rice acreage history where a producer withdraws from the production of rice (H. Rept. 1150). p. 17495

15. CONSERVATION. The Agriculture Committee reported with amendments H. R. 8914, to permit producers on farms on which summer fallow is a normal practice to plant barley on land devoted to summer fallow during 1961 which is diverted from wheat under the 1962 Wheat Stabilization Program provided an overall reduction of 20% is made in corn, grain sorghums, and barley (H. Rept. 1149). p. 17495

16. WHEAT. The Agriculture Committee reported with amendments H. R. 8842, to permit a wheat producer to withdraw from his stored excess the amount of wheat by which he fails to make his normal production on the reduced acreage allotment, less the acres voluntarily retired below the allotment (H. Rept. 1148). p. 17495

17. SUPERGRADES. The Post Office and Civil Service Committee voted to report (but did not actually report) with amendments H. R. 7377, to increase the limitation on the number of supergrades, and on the number of research and development positions of scientists and engineers for which special rates of pay are authorized (p. D825). The committee was granted until midnight Thurs., Sept. 7, to file a report on this bill (p. 17423).

18. WATERFOWL. Disagreed to the Senate amendments and conferees were appointed on H. R. 7391, to promote the conservation of migratory waterfowl by the acquisition of wetlands and other essential waterfowl habitat. p. 17426

19. POSTAL RATES. The Post Office and Civil Service Committee reported with amendments H. R. 7927, to adjust postal rates (H. Rept. 1155). p. 17495

20. PERSONNEL. The Post Office and Civil Service Committee ordered favorably reported H. R. 8565, to permit certain Government employees to elect to receive compensation in accordance with section 401 of the Federal Employees Pay Act of 1945, in lieu of certain compensation at a saved rate. pp. D824-5

21. FOREIGN TRADE. The Post Office and Civil Service Committee ordered favorably reported H. R. 7791, to provide for the collection and publication of foreign commerce and trade statistics. p. D825

Passed as reported H. R. 7692, to amend section 304 of the Tariff Act to provide that when articles, which are imported in containers that are now required to be marked to show in English the name of the country of origin of such articles, are repackaged in the U. S. and offered for sale, the new packages shall be marked to show the country from which the materials originally came. pp. 17427-9

Agreed to without amendment H. Res. 403, to create a select committee to conduct an investigation and study of the administration, operation, and enforcement of the Export Control Act of 1949. pp. 17433-45

22. TRANSPORTATION. Agreed to the Senate amendment to H. R. 6732, to amend the Merchant Marine Act, 1936, as amended, to encourage the construction and maintenance of American-flag vessels built in American shipyards. This bill will now be sent to the President. p. 17446

23. PEACE CORPS. Rep. Dorn stated that the proposal to establish a Peace Corps is wrought with potential danger to U. S. prestige by sending inadequately trained and indoctrinated personnel into foreign countries. pp. 17446-7

The Rules Committee reported a resolution for consideration of H. R. 7500, to provide for a Peace Corps to help the peoples of interested countries and areas in meeting their needs for skilled manpower. p. 17495

24. ELECTRIFICATION. Rep. Saylor criticized what he termed "an unholy alliance between the fanatical public power zealots and the Bureau of Reclamation who are using the reclamation program for the promotion of subsidized Government power." pp. 17450-7

Rep. Ashbrook said the Government's "getting deeper" into the electric pow business is a "serious and dangerous trend which can and must be reversed." pp. 17461-3

25. LEGISLATIVE PROGRAM. Rep. Albert announced that the Labor-HEW and the military construction appropriations conference reports will be considered on Monday; the public works appropriation bill on Tuesday; the conference report on Atomic Energy Commission appropriations authorization, the Peace Corps bill, H. R. 6360, relating to an additional Assistant Secretary of Commerce, and the supplemental appropriation bill for 1962, on Wednesday and the balance of the week. pp. 17481-2

26. ADJOURNED until noon Monday, September 11.

ITEMS IN APPENDIX

27. FARM PROGRAM. Extension of remarks of Sen. Wiley inserting an article in which a Wisc. dairyman reports on a tour of farm areas in Soviet countries. pp. A7035-6

Extension of remarks of Rep. Alexander inserting Under Secretary Murphy's address before the annual meeting of the North Carolina Feeder Manufacturers Association, Virginia Beach, Va. pp. A7061-3

87TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
1st Session } { No. 1155

POSTAGE REVISION ACT OF 1961

SEPTEMBER 7, 1961.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. MURRAY, from the Committee on Post Office and Civil Service, submitted the following

REPORT

[To accompany H.R. 7927]

The Committee on Post Office and Civil Service, to whom was referred the bill (H.R. 7927) to adjust postal rates, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

AMENDMENTS

(1) Page 2, strike out lines 9 and 10 and insert in lieu thereof the following:

> (2) by striking out paragraph (2) and inserting in lieu thereof the following new paragraph:
> "(2) the estimated calculated loss from the operation of such prime and necessary public services as the star route system, third- and fourth-class post offices, and rural routes;";
> and

(2) Page 3, strike out lines 3 to 16, inclusive, and insert in lieu thereof the following:

> "(b) The Postmaster General shall report to the Congress, on or before February 1 of each year beginning with the year 1962, the estimated amount by which, in the then current fiscal year, the cost incurred by the postal establishment in the performance of each of the public services enumerated in subsection (a) of this section will exceed the revenue received by the postal establishment for the performance of such public service. The aggregate amount by which, in any fiscal year, the costs incurred by the postal establish-

ment in the performance of such public services exceed the aggregate amount of the revenues received by the postal establishment for the performance of such public services shall be excluded from the total cost of operating the postal establishment for purposes of adjustment of postal rates and fees. Such aggregate amount shall not be less than 7½ percent of the total current budget for the Post Office Department and shall be held and considered to cover the cost of all public services enumerated in section 2303(a) of this title (relating to public services) and all other public services not so enumerated."

(3) Page 5, strike out line 10 and all that follows down through line 10 on page 6, and insert in lieu thereof the following:

SEC. 5. The table in section 4359(b) of title 39, United States Code, is amended to read as follows:

	"Rates in cents per pound or fraction thereof				
	Classroom publications	Other publications			
		Mailed during calendar year 1961	Mailed during calendar year 1962	Mailed during calendar year 1963	Mailed after December 31, 1963
Advertising portion:					
Zones 1 and 2	1.5	3.0	3.15	3.30	3.45
Zone 3	2.0	4.0	4.20	4.40	4.60
Zone 4	3.0	6.0	6.30	6.60	6.90
Zone 5	4.0	8.0	8.40	8.80	9.20
Zone 6	5.0	10.0	10.50	11.00	11.50
Zone 7	6.0	12.0	12.60	13.20	13.80
Zone 8	7.0	14.0	14.70	15.40	16.10
Nonadvertising portion	1.5	2.5	2.63	2.75	2.88
A publication of a qualified nonprofit organization	----------	1.5	1.5	1.5	1.5".

(4) Page 6, strike out line 14 and all that follows down through line 10 on page 7, and insert in lieu thereof the following:

SEC. 6. (a) The table in section 4360 of title 39, United States Code, is amended to read as follows:

"SECOND-CLASS MINIMUM RATES

[In cents]

	Mailed during calendar year		Mailed after Dec. 31, 1962
	1961	1962	
For delivery within county of publication except when mailed free under sec. 4358(a) of this title	⅛	⅛	⅛
Classroom and nonprofit organizations publications	⅛	⅛	⅛
Other publications for delivery beyond county of publication	½	¾	1 ".

(5) Page 8, strike out lines 2 to 4, inclusive, and insert in lieu thereof the following:

SEC. 7. Section 4422 of title 39, United States Code, is amended by striking out "12 cents" and inserting in lieu thereof "14 cents".

(6) Page 8, lines 10 and 11, strike out "amended, effective on the date of enactment of this Act" and insert in lieu thereof "amended";

(7) Page 9, strike out line 4 and all that follows down through line 2 on page 10, and insert in lieu thereof the following:

(b) Section 4451(d) of title 39, United States Code, is amended by striking out "(a)(2)" and inserting in lieu thereof "(a)(3)".

(c)(1) Subsections (a) and (b) of section 4452 of title 39, United States Code, are amended to read as follows:

"(a) Subject to the minimum charge per piece provided in subsections (b) and (c) of this section, the postage rates on third-class mail are as follows:

"Type of mailing	Rate	Unit
(1) Individual piece:	*Cents*	
(A) Holiday greeting cards, in accordance with regulations issued by the Postmaster General.	4	Ounce or fraction thereof.
(B) Other	5 1½	First 3 ounces or fraction thereof. Each additional ounce or fraction thereof.
(2) Bulk mailings under subsec. (e) of this section of—		
(A) Books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions and plants:		
(i) Qualified nonprofit organizations.	10	Each pound or fraction thereof.
(ii) Others	12	Do.
(B) Other matter	18	Do.

"(b) Except as provided in the last sentence of this subsection, matter mailed in bulk under subsection (e) of this section is subject to the following minimum charge for each piece unless a higher minimum rate is applicable under subsection (c) of this section:

"Mailed by—	After June 30, 1960
Other than qualified nonprofit organizations	2½
Qualified nonprofit organizations	1¼

The minimum postage rate per piece on such matter which is mailed under 'time value' request or which (under procedures in effect on July 1, 1961) is not directed to a specific individual address is three cents when mailed by other than qualified nonprofit organizations and is one and one-half cents when mailed by qualified nonprofit organizations."

(2) Subsection (c) of such section 4452 is amended by striking out "3½ cents" and inserting in lieu thereof "four cents".

(3) Subsection (e) of such section 4452 is amended by striking out "fee of $20" and inserting in lieu thereof "fee of $25".

(d) (1) The last sentence of section 4102 of title 39, United States Code, is amended to read as follows: "He shall charge additional postage on mail of other classes (except third-class mail) forwarded from one post office to another in accordance with section 4105 of this title. He shall not forward third-class mail to other than local addresses."

(2) Section 4105(b) of title 39, United States Code, is amended by striking out the period at the end thereof and inserting in lieu thereof the following: ", except as provided in the last sentence of section 4102 and in the immediately following sentences of this subsection. He may return to the sender, upon prepayment (or a pledge by the sender of payment) of five cents per piece, third-class mail upon which the bulk third-class minimum per piece rate has been paid. He may return other third-class mail to the sender under such conditions, and upon payment of such charges, as he may prescribe, except that the charge shall not be less than an amount which will reimburse the Post Office Department for the approximate costs incurred by the Department for such special service."

(e)(1) Chapter 53 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"§ 4061. Correction of mailing lists

"The Postmaster General may correct, or provide for the correction of, the mailing lists of postal patrons under conditions, and upon payment of charges, prescribed by the Postmaster General. Such charges shall be in amounts which will reimburse the Post Office Department for the approximate costs incurred by the Department for such special service."

(2) The analysis of chapter 53 of title 39, United States Code, is amended by adding

"4061. Correction of mailing lists."

immediately below

"4060. Foreign publications free from customs duty."

(f) Section 4451 of title 39, United States Code, is amended by adding at the end thereof the following new subsection:

"(f) Third-class mail shall receive deferred service and shall be processed by postmasters only after all other classes of mail, including 'time value' third-class mail, shall have been processed."

(8) Page 13, line 19, strike out "on—" and insert in lieu thereof "on—' ";

(9) Page 15, immediately following line 5, insert the following:

COMMUNIST POLITICAL PROPAGANDA

SEC. 11. (a) Section 505 of title 39, United States Code, is amended by inserting immediately after the first sentence and before the second sentence in subsection (a) thereof, the following sentence: "In furtherance of this authority to counteract adverse usage of the mails and to reduce the domestic postal deficit, no international mail handling arrangement under which any postal rate, whether or not reciprocal, is established, shall permit the receipt, handling, transport, or delivery by the United States Post Office Department of mail matter determined by the Attorney General to be Communist political propaganda."

(b)(1) Chapter 51 of title 39, United States Code, is amended by adding at the end thereof the following section:

"§ 4008. Communist political propaganda

"No United States postal rate established by the Postage Revision Act of 1961 shall be available for the receipt, handling, transportation, or delivery of mail matter determined by the Attorney General of the United States to be Communist political propaganda financed or sponsored directly or indirectly by any Communist controlled government."

(2) The table of contents of such chapter 51 is amended by inserting

"4008. Communist political propaganda."

immediately below

"4007. Detention of mail for temporary periods."

STUDIES AND REPORTS WITH RESPECT TO THIRD-CLASS BULK RATE INCREASES

SEC. 12. The Secretary of Commerce and the Administrator of the Small Business Administration each is authorized and directed (1) to complete the study, authorized and directed to be made by section 209(a) of the Postal Rate Increase Act, 1958 (72 Stat. 142), of the increases in the rates of postage in third-class bulk mail matter provided for by the amendments made by section 205(3) (A) and (B) of such Act, in order to determine the effect of such increases on small business enterprises and on the users of the mails and the national economy generally and (2) to submit to the Senate and the House of Representatives on or before March 1, 1963, a separate report of the results of such completed study together with such recommendations as may be necessary and appropriate. Each such study and report shall include, among other matters, consideration of the impact on small business enterprises, on the users of the mails, and on the national economy generally of the final increases provided for by the amendments made by such section 205 (3) (A) and (B) in the rates of postage in such third-class

bulk mail matter from and after the time when such final increases became effective.

(10) Page 17, line 7, strike out "11" and insert "13" in lieu thereof.

(11) Page 17, line 8, strike out "as follows:" and insert in lieu thereof "on January 1, 1962.".

(12) Page 17, strike out lines 10 to 19, inclusive.

Purpose of Amendments

The purpose of the amendments is discussed in the explanation of the bill by sections.

Purpose

The purpose of this legislation is to reduce the postal deficit, which, after all possible economies have been effected, will be approximately $875 million for the current fiscal year unless the Congress enacts legislation providing adequate postal rate increases. The postal rate deficit is one of the most serious and pressing questions facing the Congress. The budget presented to the Congress by the President for the current fiscal year anticipates a deficit of over $5 billion, and that deficit will be further increased by at least $520 million if this postal rate bill is not enacted into law.

Statement

The President of the United States has aptly stated, as a part of his nationwide Berlin crisis address—possibly the most important statement of national policy in this decade—that the American people "cannot afford the luxury of a postal deficit" in the light of the innumerable critical national and international problems which we face today.

This legislation will increase postage revenues by approximately $520 million when all of the rate adjustments have been placed in effect. The bill is just as important a part of the fiscal program of the Government, and of the measures being taken by National, State, and local governments to protect our Nation and the free world, as any reductions in comparable amount which might be made in the cost of nondefense governmental programs.

From the turn of the century to the beginning of World War II the average annual postal deficit was about $33 million—including all subsidies, such as the $75 million annual airline subsidy and the cost of handling penalty mail for other Government departments and franked mail—most of which now have been removed from the postal budget. Since World War II the annual postal deficit increased by leaps and bounds until it reached the previous high of $891 million (excluding public service costs of $49 million) in the fiscal year 1958. The cumulative deficit from 1946 to date is over $7.5 billion—all at the expense of the taxpayers.

In a partially successful effort to reduce the deficit, the Congress enacted the Postal Rate Increase Act, 1958, to increase postal revenues by approximately $550 million. However, that increase was counteracted within 2 years by the approval of postal employee salary raises of 10 percent in 1958 and 7½ percent in 1960 at a total cost of $536 million. In addition, costs of transportation—second only to payroll in magnitude as a postal cost—and all other services, supplies, and equipment

have continued a sharp upward inflationary spiral which shows no signs of abating. These factors, combined together, have brought our postal system to the most dangerous fiscal condition in its history.

Moreover, there cannot be overlooked the extremely damaging image that has been created in the public consciousness by having a postal service constantly hampered and hamstrung by enforced operation under policies set by Congress which prevent it from realizing earned revenues anywhere nearly equal to its necessary expenses. Such a situation would not and could not be tolerated in any other modern communications system—and our postal system is the greatest communication system in the world. The fact is self-evident, in the judgment of the committee, that any delay in approval of necessary postal rate adjustments will further complicate the fiscal problems of the Post Office Department. The financial position of the Department will deteriorate even more rapidly in the future as the taxpayers continue to pick up a larger and larger share of the costs incurred by the Department for the benefit of users of the mail. The fact is that for the last 10 years the postal service, because of a "too little and too late" policy in rate adjustments—not any lack of diligence, ability, and efficiency by operating officials and employees—has been losing $2,000 a minute. The taxpayers are putting up over $50,000 each hour for postage losses chargeable to users of the mails.

The committee conducted what is believed to be the most comprehensive, detailed, and informative hearings ever held by a congressional committee on the complex and often difficult problem of postal rates. The Postmaster General and postal officials, many representatives from all segments of the economy which are major users of the mails, and other authorities and individuals were heard. Committee hearings were held for 17 days, extending over the period from April 25 to June 7, inclusive. The committee deliberated at length in 11 executive sessions, beginning June 8 and ending September 7, 1961. While the bill as finally reported may not be exactly in accordance with the desires of everyone, it truly represents a committee product arrived at in a spirit of compromise through the earnest efforts and cooperation of the entire committee membership. When all of the rate increases are placed in effect the increased revenues, coupled with the improved postal policy incorporated therein, place the postal establishment on a pay-as-you-go basis for the first time in many years.

Explanation of the Bill by Sections

Section 1 of the bill provides that the bill, when enacted, may be cited as the "Postage Revision Act of 1961."

Section 2 of the bill revises and strengthens the statement of congressional policy with respect to postal rates and fees originally enacted as the Postal Policy Act of 1958 and now contained in chapter 27 of title 39, United States Code.

Subsection (a) clarifies and strengthens the language of such policy with respect to the determination of postal expenses attributable to the performance of public service by the Postal Establishment.

Subsection (b) makes several important changes in the existing provisions of law with respect to identification of public services rendered by the Postal Establishment and the determination of the

costs of such public services which shall be excluded from postal expenses for purposes of fixing postal rates and fees.

The first such change (sec. 2(b)(1) and (2)) provides that "the estimated calculated loss" from operation of third- and fourth-class post offices, star routes, and rural routes shall be held and considered to be an item of public service rendered by the Postal Establishment. Under present law, the "loss" on star routes and third- and fourth-class post offices is designated as an item of public service.

The second such change (sec. 2(b)(3)) supplies a needed clear definition of the terms "loss" and "total loss" as applied to revenues and expenses of the public service items specified in the law—a definition which was not included in the Postal Policy Act of 1958. This definitive language, coupled with the remaining provisions of section 2 of the bill, will provide standards and guidelines which are necessary for the Postmaster General to determine the amount of public service charges to be excluded from postal expenses each year for purposes of considering the need for adjustments in postal rates and fees.

The amendment made by section 2(c) requires the Postmaster General, on or before February 1 of each year beginning with the year 1962, to report to the Congress the amount by which costs of the public service items set forth in the postal policy provisions exceed revenues from such public service items and specifies, further, that the amount so determined and reported shall be excluded from the total cost of postal operations for purposes of adjustment of postal rates and fees. The last sentence of the amendment requires that the amount so determined and reported (and thus excluded from total operating costs for rate and fee purposes) shall be not less than 7½ percent of the total current budget of the Post Office Department.

The amendment made by section 2(d) is a technical amendment which conforms the table of contents of the appropriate chapter of title 39, United States Code, with the amendments made by the remainder of section 2 of the bill.

The amendments made by section 3 of the bill increase postage rates on first-class letter mail from 4 cents to 5 cents for each ounce or fraction; on post and postal cards from 3 cents to 4 cents; and on drop letters from 3 cents to 4 cents for each ounce or fraction thereof.

The amendments made by section 4 of the bill increase the postage rates on airmail letters from 7 cents to 8 cents for each ounce or fraction thereof and on airmail postal and post cards from 5 cents to 6 cents. The existing requirement of minimum first-class ounce rates for air parcel post first-class matter is retained, but the existing minimum rate of 3 cents an ounce on such matter is eliminated.

The amendments made by sections 5 and 6 of the bill make two changes in the postal rate structure for second-class mail matter delivered outside the county of publication.

The first such change, in section 5, comprises three 5-percent increases in the existing pound rates for publishers second class mail—the increases to be effective January 1, 1962, January 1, 1963, and January 1, 1964, respectively.

The second such change, in section 6(a), increases the existing ½-cent minimum charge per piece on second-class matter to ¾ cent effective January 1, 1962, and to 1 cent effective January 1, 1963.

No increases are provided for any second-class publication mailed for delivery within county of publication or which in a classroom publication or publication of a qualified nonprofit organization.

The amendment made by section 6(b) is a technical amendment to conform the analysis of the appropriate chapter of title 39, United States Code, with the amendment made by section 6(a).

The amendment made by section 7 of the bill increases the existing postage pound rate on controlled circulation publications from 12 cents to 14 cents. This increase is in line with the increases in pound rates provided for other classes of mail by other sections of the bill.

The amendments made by section 8(a) of the bill effect one change in the definitions of third-class mail matter contained in section 4451(a) of title 39, United States Code. This change will prohibit the mailing of third-class matter during the period from December 15 to December 25, inclusive of each year.

The amendment made by section 8(b) corrects an error in a reference in section 4451(d) of title 39, United States Code.

The amendments made by section 8(c)(1) provide for adjustments in several postage rates applicable to various categories of third-class mail matter.

The existing minimum piece rate on individual pieces of third-class mail of 3 cents for the first 2 ounces or fraction thereof is changed to 5 cents for the first 3 ounces or fraction thereof, except that the rate for individual mailings of holiday greeting cards will be 4 cents for each ounce or fraction thereof. It is to be noted that all holiday greeting cards mailed during the period December 15 to 25, inclusive, of each year will be subject to the first-class postage rates. The existing minimum per piece rate of 1½ cents for each additional ounce or fraction thereof on individual pieces of third-class mail remains unchanged, except that it will not apply to holiday greeting cards mailed at the special 4-cent rate.

The existing rate of 10 cents per pound on bulk mailings of books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants is increased to 12 cents, except that the pound rate for such mailings by qualified nonprofit organizations will remain at the present 10-cent level. The existing rate of 16 cents per pound for bulk mailings of other third-class matter is increased to 18 cents.

No change is made in the existing minimum bulk mailing charge per piece of 2½ cents or in the 1¼ cent minimum charge for mailings of qualified nonprofit organizations, with two exceptions. Under these exceptions, bulk mailings for which the mailer specifies or requests "time value," or which are not directed to a specified individual address, will be subject to minimum charges of 3 cents per piece for other than nonprofit organizations and 1½ cents per piece for qualified nonprofit organizations.

The amendment made by section 8(c)(2) increases the existing 3½-cent minimum charge per piece for third-class mailings of odd size or shape to 4 cents a piece.

The amendment made by section 8(c)(3) increases the existing $20 fee for a third-class bulk mailing permit to $25.

The amendments made by section 8(d) clarify, by inclusion in the postal laws, certain practices and procedures with respect to the acceptance and handling of third-class mail matter which are generally recognized as necessary and suitable in the interest of both the postal service and users of the mails.

The amendment made by paragraph (1) of this subsection spells out in section 4102 of title 39, United States Code, a firm prohibition

against the forwarding of third-class mail matter to other than a local address. Paragraph (2) makes technical amendments to section 4105(b) of title 39, United States Code, to conform the provisions of such subsection to the specific prohibition against forwarding of third-class mail matter placed in the law by the amendment made by paragraph (1).

The amendment made by section 8(e)(1) of the bill authorizes the Postmaster General to correct, or provide for the correction of, mailing lists of postal patrons under conditions, and upon payment of charges, prescribed by him and further provides that such charges will be adequate to reimburse the costs incurred for such special services.

The amendment made by section 8(e)(2) is a technical amendment which corrects the analysis of chapter 53 of title 39, United States Code, in conformity with the amendment made by the preceding paragraph of the bill.

The amendment made by section 8(f) of the bill spells out in the postal laws the requirement that third-class mail matter shall receive deferred service and may be processed only after first- and second-class mail has received priority service.

Section 9 of the bill makes certain technical changes in the preferential educational and library material rate listings to reflect the substantive changes made by Public Law 86–644, approved July 14, 1960. The subsection also supplies corrective language to clarify the purpose and intent of that part of section 4554(c) of title 39, United States Code, which extends the preferential library materials rates to scientific or mathematical kits, instruments, and devices, and catalogs and guides or scripts relating to their use. The existing preferential rates of 9 cents a pound for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof on educational materials and 4 cents a pound for the first pound or fraction thereof and 1 cent a pound for each additional pound or fraction thereof on library materials are retained.

The amendment made by section 10 of the bill brings forward into this act, and makes permanent, the policy approved by the Congress in the Postal Rate Increase Act, 1958 (39 U.S.C. 711(c)), with respect to the method of determining gross receipts of post offices. The effect is to exclude additional revenues accruing from postal rate increases in determining gross receipts of post offices whenever such rate increases shall have been enacted by the Congress on or after May 27, 1958—the effective date of the Postal Rate Revision Act, 1958.

The amendments made by section 11 of the bill is for the purpose of excluding Communist political propaganda from the U.S. mails.

The amendment made by subsection (a) brings into play article 60 of the Universal Postal Convention, Ottawa, 1957, which reads in part as follows:

PROHIBITIONS

1. The sending of the articles specified below is prohibited:

* * * * *

(d) articles whose admission or circulation is prohibited in the country of destination; * * *

The amendment applies to mail originating outside the United States of delivery within the United States.

The amendment made by subsection (b) applies to mail originating within the United States. The effect is that mail matter determined by the Attorney General to be Communist political propaganda which is financed or sponsored by a Communist controlled government is nonmailable within the United States.

Section 12 of the bill in effect requires the Secretary of Commerce and the Administrator of the Small Business Administration to complete the studies with respect to third-class bulk-rate increases provided for by Public Law 85–426, and to submit to the Senate and the House of Representatives on or before March 1, 1963, a separate report and any appropriate recommendations of the results of such completed study.

Section 13 of the bill provides that all provisions of the bill shall become effective on January 1, 1962, except as otherwise provided in the bill. In this connection, it is to be noted that certain of the adjustments in second-class postage rates will become effective at the beginning of later calendar years, as specified in the provisions of the bill which set forth the rates on second-class mail matter.

Administrative Recommendation

This legislation was developed by the committee after exhaustive consideration of official recommendations and a report by the Postmaster General of the United States. While the postal rate adjustments provided by the bill, and other amendments contained therein, differ in certain material respects from such official recommendations of the Postmaster General, it is the judgment of the committee that the bill as reported, which will increase postal revenues by approximately $520 million, is the best bill that could be worked out with reasonable expectation of enactment into law during the current session of the 87th Congress. The official recommendations and report of the Postmaster General, referred to above, follow:

Office of the Postmaster General,
Washington, D.C., April 14, 1961.

Hon. Sam Rayburn,
Speaker of the House of Representatives,
Washington, D.C.

Dear Mr. Speaker: There is transmitted herewith proposed legislation, the Postage Revision Act of 1961, for consideration by the Congress.

The President's message on budget and fiscal policy, March 24, 1961, stated: "The January budget submitted by my predecessor called for an additional $843 million in postal revenues to eliminate the deficit in that Department's operations. Such an increase must be effective July 1 to close the gap between postal expenditures and postal revenues; and, building on the previous budget, this administration's budget requires an equal amount. I urge the Congress to close this gap; * * *."

This Department reduced the budget expenditures by $12 million, leaving $831 million of new postal revenues to be raised in 1962. Of this amount about $90 million can be raised through administrative rate actions, primarily on fourth-class parcel post and catalogs.

This leaves about $741 million to be met through legislative rate increases effective on July 1, 1961. The attached proposal, if enacted, will provide this amount of additional revenue.

The table following summarizes—for the major legislative rate classes—the financial effects of the postal rate program developed pursuant to the January 1961 budget:

Major legislative rate increases

[Dollar amounts in millions]

Mail class	Postal revenues				Cost coverage (percent)[1]	
	Estimated 1962 revenues (current rates)	Projected new revenues	Projected revenues (proposed rates)	Percent increase	Current [2]	Projected
First class	$1,621	$409	$2,030	25	99.7	124.6
Airmail	181	14	195	8	106.3	114.8
Second class	98	78	176	79	23.0	41.2
Third class	532	212	744	40	67.4	94.4
Other changes		28				

[1] Including public service revenues.
[2] 1960 experience adjusted for all known rate and cost increases.

First-class mail

A 1-cent increase is scheduled for first-class mail: the rate for letters would rise from 4 cents per ounce to 5 cents and for post cards from 3 cents to 4 cents. This would yield about $409 million, apart from additional revenues from corresponding rate increases on penalty (Government) mail. Airmail postage would be raised correspondingly: from 7 cents per ounce to 8 cents for letters, and from 5 cents to 6 cents for cards.

The statutory basis for first-class rates.—In the Postal Policy Act of 1958, the Congress stated that first-class mail is a premium service for which rates should be sufficient to cover costs plus "an additional amount" to reflect the value of its preferred handling. This pricing policy is rooted in the knowledge that costs alone do not reflect the true value of service. Many intangible factors, such as expedited handling at post offices, cannot be reflected in costs. The privilege of secrecy is another intangible value enjoyed only by first-class mail patrons.

Most of the postal administrations of other countries follow the same "differential pricing" approach in fixing rates. In response to a recent inquiry to a number of foreign nations, nearly all reported a break-even goal for their overall postal operations with letter mail producing revenues substantially in excess of costs. (See exhibit A.)

Even prior to the enactment of the Postal Policy Act in 1958, the Congress over many years tacitly endorsed the value-of-service principle as a guideline for first-class mail. From the start of the post office cost ascertainment system in 1926 through World War II, rates for first-class mail were set at levels which produced revenues substantially in excess of allocated costs. From 1926 through 1941, the value-of-service premium on first-class mail averaged 40 percent above costs.

At the present time, cost coverage on first-class mail is running just under 100 percent. A 1-cent increase would bring it to about 125 percent.

The lag in first-class rates.—Rates for first-class letters have increased only once, and moderately, in the past 29 years. In contrast, however, the general price level has changed frequently and substantially in that period. If letter postage was worth 3 cents in 1932, it should be worth nearly 7 cents today. While the consumer price index has gone up 118 percent since 1932, and the cost of mail handling has gone up even more, first-class letter rates have increased only 33 percent. A 5-cent rate would still bring the total increase since 1932 to only 67 percent.

Second-class rates

Second class is the mail service for magazines and newspapers. From the very beginning of the U.S. postal system, low postage rates for these media have reflected the belief of Congress that wide distribution should be encouraged for the public good.

According to the cost ascertainment system, which has been used in previous years, the gap between costs and revenues for second class is currently about $340 million, on an annual basis. That amount cannot, of course, be taken as a rate goal in view of the established congressional policy of below-cost rates for second class.

Postal revenues from second-class mail now cover about 23 percent of fully allocated costs. Under the rate program outlined, postage revenues from second class would be increased $78 million in fiscal 1962. This would amount to an increase of 79 percent.

Enactment of the proposed increases would raise cost coverage for second class from 23 percent to 41 percent.

On a relative basis, the proposed increases would be greatest for publications of lighter weight and for those preferential publications which have not shared in any general rate increases for many years. Included among these are small hometown newspapers which go through the mails free, or at the rate of 1 cent per pound, when delivered within their counties of publication. Under the proposal submitted, these publications would pay the same rates as those proposed for publications of authorized nonprofit organizations: ¼ cent per piece plus a bulk rate of 1½ cents per pound.

Third-class rates

Third-class mail consists largely of advertising circulars mailed at bulk rates. It also includes fairly sizable quantities of catalogs and small parcels.

Third-class bulk rates, as distinguished from rates for single pieces, were first enacted by the Congress in 1928. For advertising circulars, the initial minimum rate was 1 cent per piece. That rate remained in effect for 23 years and then, in 1951, it was raised to 1½ cents. Subsequently, in 1958, the Congress approved two successive ½-cent increases which brought the third-class bulk rate to its present 2½-cent level.

Since 1928, when low bulk postage rates were first approved, mail volume in third class has increased more than fourfold—a substantially greater increase than in any other mail service, except airmail. With this very rapid growth, direct mail has become the second largest advertising medium in the United States.

According to the cost ascertainment system, which has been used in previous years, revenues in the third-class mail service currently cover 67 percent of allocated costs. That adds up to an annual revenue deficiency of $250 million.

A 1-cent increase to 3½ cents is scheduled for the minimum rate for bulk mail. This increase would affect most of the pieces moving as third-class mail. If enacted, together with other adjustments proposed for third class, cost coverage would rise from 67 percent to 94 percent.

Delivery of third-class mails can be deferred somewhat in the interest of expediting higher priority mails. In consideration of that deferment, a moderate rate concession below cost is justifiable.

Other changes

Educational and library materials.—Fourth-class matter mailed as "educational materials" consists largely of books and phonograph records. Postage rates currently are 9 cents for the first pound of each parcel and 5 cents for each additional pound. At these rates, postage covered 60 percent of costs in 1960, resulting in a revenue deficiency of 21 cents per parcel, and $20 million in the aggregate. For fiscal 1962, both costs and the postage revenue gap are expected to increase.

Under the terms of the Postal Policy Act, revenue deficiencies for educational materials are to be covered by public service appropriations from Treasury funds. Adoption of the rate provisions submitted would raise postage revenues by about $6 million and reduce public service appropriations correspondingly. The increases in postage would be 1 cent per pound, to a level of 10 cents for the first pound and 6 cents for each additional pound.

For parcels of library materials, the current rate is 4 cents for the first pound and 1 cent for each additional pound. Under the attached proposal, this rate would be increased to 50 percent of the general "educational materials" rate: 5 cents for the first pound and 3 cents for each additional pound. Postage revenue would rise by about $2 million.

Government mail.—For fiscal 1962, it is estimated the Post Office Department will handle over 2 billion pieces of Government mail consisting mostly of first class and third class. For this, Post Office revenues are credited on the basis of postage rates paid by the public at large. Adoption of the rate changes outlined would increase postal revenues about $22 million as a direct result of Government mail deliveries.

Other minor changes, including an adjustment for changing mail mix, bring the total revenues from these "other changes" to $28 million.

This completes the schedule of legislative rate changes which, if enacted, would produce $741 million of added annual postal revenue.

The Bureau of the Budget has advised the Department that enactment of this legislation is in accord with the program of the President.

Sincerely yours,

J. Edward Day,
Postmaster General.

Exhibit A

The Postal Policy of Other Nations [1]

Australia

"* * * However, despite the results of our cost studies, judgment must be exercised in determining the practical limits of charges for particular services.

* * * * * * *

"* * * We try to make a profit on the letter category to meet the deficiencies which are incurred in handling the other items of mail and providing special postal facilities.

* * * * * * *

"* * * it was estimated that postage revenue from the letter mail category would exceed the estimated cost of the service by a little over 20 percent in a full year."

Austria

"* * * revenues exceeded the expense incurred for the classes of mail concerned by 25.9 percent. Even though the percentage indicated covers several classes of domestic mail, the postage revenues from letters and postcards are certainly the decisive factor."

Belgium

"* * * private letters leave a surplus of 339,319,371 Belgian francs, which represent some 34 percent of their operating cost.

* * * * * * *

"* * * Although the letter category is already largely profitable * * * the minimum postage for an ordinary letter in the domestic service has been raised from 2.50 to 3 Belgian francs. It may therefore be deduced that the profits realized on letters are intended to cover, to a certain extent, the losses on other classes of correspondence."

Canada

The latest financial report of the Canadian Postal Service indicates a 154 percent cost coverage for first-class mail in fiscal 1959.

Federal Republic of Germany

"By law the Deutsche Bundespost is bound to cover its expenditures with the revenue of postage rates. Therefore, this Administration is starting from the costs in establishing postage rates. However, this principle applies only to the whole of all postage rates. For cultural, social, and economic reasons the rates of some branches of service are under the costs. The deficit resulting from these rates must be covered by excesses of other branches of service.

* * * * * * *

" * * * for letters and post cards together which correspond to your first-class mail, revenues exceed the expenditures with approximately 10 percent * * *."

[1] Replies to a communication from the International Service Division, Office of the Postmaster General, Mar. 24, 1960.

France

"Generally speaking, postage rates are established in France so as to cover the operating charges on the whole * * * making it necessary to recuperate on first-class articles the losses entailed by these other articles.

* * * * * * *

" * * * than between various classes (first-class articles, on the one hand, second-class articles, on the other hand) where the high rates collected for the first permit maintaining reduced rates, lower than the actual cost of handling, for the others."

Great Britain

"The domestic letter rate is the sheet anchor of our inland postal finances and for many years we have used the profit from it to carry losses on some of our other services * * *. The profit of £13.5 million on the letter service represented 24 percent over cost and without it we should have run well into the red.

* * * * * * *

"The Post Office has many social obligations. But the existence of these obligations does not mean that the Post Office should be run primarily as a vast social service without regard to the economic facts of life. * * * "

Netherlands

"So apart from these rather small differences it may be said that the object of being self-supporting is approximately attained for the Postal Service as a whole.

* * * * * * *

"* * * I can tell you, however, that the rate for letters considerably exceeds the cost price."

Norway

"* * * Our policy must therefore be to fix postage rates which as a whole warrant revenues that cover expenditure * * *. Consequently, this deficit must be covered by means of higher rates concerning other services, in first place the domestic first-class mail service * * * This excess cannot be computed with accuracy, but on the approximate estimate revenue exceeds expenditure by 60 percent."

Sweden

"The goal of our postage rate policy is that the organization should pay its own way * * *

* * * * * * *

"* * * It is a natural thing that items protected by monopoly—in the main letters and post cards—have to bear a greater part of the expenditures than items not protected by monopoly."

Union of Soviet Socialist Republics

"Rates in force for letters and post cards fully cover actual costs (cost price), moreover, they provide necessary net income which is defined to cover losing operations in other branches of services * * *

"At present postage revenue for transmission of letters and post cards within the country exceeds actual postal costs of the U.S.S.R. by approximately 20 percent * * *."

Postage Revision Act of 1961—Section-by-Section Analysis

Section 1 provides a short title.

Section 2 increases the postage rates on first-class mail by 1 cent.

Section 3 increases the postage rates on airmail other than air parcel post by 1 cent. It does, however, make a conforming and clarifying change to assure that first-class mail may not be sent as air parcel post at a lesser rate than by surface means.

Section 4 imposes a piece rate of one-fourth cent on all within-county mailings except those on which postage is presently fixed by the piece. It also increases the existing per pound rates on within-county mailings by one-half cent, and applies these rates to publications now mailed free of postage.

Section 5.—This section imposes a piece rate postage charge to all mailings beyond the county of mailing except transient mailings. The piece rate is 1½ cents except that in the case of classroom publications and for all nonprofit groups, it is ¼ cent.

Section 6.—This section repeals the existing minimum charge on second-class mailings. The piece rates of postage provided in sections 4 and 5 of the bill make the minimum rate unnecessary.

Section 7.—This section increases the rate of postage on controlled circulation publications to 14 cents a pound and the minimum to 3 cents a piece.

Section 8.—Increases the single piece rates on third-class mail to 4 cents for the first 2 ounces, and 2 cents for each additional ounce. It increases the bulk rate on books, catalogs, seeds, cuttings, bulbs, roots, scions, and plants to 18 cents a pound, and on other third-class matter to 21 cents. The rate for bulk mailings of third-class matter is increased by 1 cent except that the minimum for qualified nonprofit organizations is raised one-half cent. The minimum charge for odd-size pieces was fixed at 3½ cents by Public Law 86–56. This section increases that rate to 4½ cents.

Section 9.—This section increases the rates on educational materials to 10 cents for the first pound and 6 cents for each additional pound, and on library materials to 5 cents for the first pound and 3 cents for each additional pound. It also incorporates into section 4554 of title 39 the changes made by Public Law 86–644 in the materials covered by these rates and the conditions under which they apply.

Section 10.—This section continues the provision of law originally section 211 of the Postal Rate Increase Act, 1958 (title II of Public Law 85–426) which eliminated the rate increases provided by that law in determining the gross receipts of a post office, except to the extent necessary to retain it in the same status as it had prior to that act. In addition, this section extends that provision to any subsequent increases in postage rates, including those in this bill.

Section 11.—This section postpones the effective date to July 1, 1961.

A BILL To adjust postal rates, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be known as the Postage Revision Act of 1961.

Sec. 2. *First-class mail.*—Section 4253 of Title 39, United States Code, is amended by striking out the words "four" and "three"

wherever they appear, and inserting in lieu thereof the words "five" and "four", respectively.

SEC. 3. *Air mail.*—Section 4303 of Title 39, United States Code, is amended by striking out:

(a) the sord "seven" in subsection (a) and inserting in lieu thereof the word "eight".

(b) the word "five in subsection (b) and inserting in lieu thereof the word "six".

(c) the phrase "three cents an ounce or fraction thereof" and inserting in lieu thereof the phrase "the rate of postage for other first-class mail matter".

SEC. 4. *Second-class mail within county of publication.*—(a) Section 4358 of Title 39, United States Code, is amended by striking out subsection (a), by redesignating subsection (b) as subsection (a), and by striking out the phrase "Except as provided in subsection (a) of this section and subject to the minimum rates provided by subsection 4360 of this title, the" in subsection (a) and inserting in lieu thereof "The", and by striking out the phrase "one cent a pound" wherever it appears in subsection (a) and inserting in lieu thereof the phrase "one and one half cents a pound".

(b) Section 4358 of Title 39, United States Code, is amended by adding a new subsection (b) as follows:

"(b) Each individually addressed copy of a publication in that portion of any mailing on which postage is fixed by the pound under subsection (a) of this section is subject to additional postage of one-fourth cent."

SEC. 5. *Second-class mail beyond county of publication.*—Section 4359 of Title 39, United States Code, is amended as follows:

(a) By striking out so much of subsection (b) as precedes the table and inserting in lieu thereof the following:

"(b)(1) The rates of postage on publications mailed in accordance with subsection (a) of this section are fixed both by the piece as provided in paragraph (2) of this subsection and by the pound as provided in the following table:

[In cents]"

(b) By adding a new paragraph (2) to subsection (b) as follows:

"(2) The piece rates of postage are charged on each individually addressed copy of a publication mailed in accordance with subsection (a) of this section in addition to the pound rates. The piece rates are as follows:

Qualified Non-Profit Organizations	¼ cent
Classroom Publications	¼ cent
Other Publications	1½ cents"

SEC. 6. *Minimum Postage Rates on Second-class Mail.*—(a) Section 4360 of Title 39, United States Code is repealed.

(b) The chapter analysis of Chapter 63 of Title 39, United States Code is amended by deleting "4360 Minimum Postage."

SEC. 7. *Controlled Circulation Publications.*—Section 4422 of Title 39, United States Code is amended by striking out "12 cents" and inserting in lieu thereof "14 cents", and by striking out "1 cent" and inserting in lieu thereof "3 cents".

SEC. 8. *Third-class Mail.*—Section 4452 of Title 39, United States Code, is amended as follows:

(a) By amending the table in subsection (a) to read as follows:

"Type of mailing	Rate	Unit
	Cents	
(1) Individual piece	4	First 2 ounces or fraction thereof.
	2	Each additional ounce or fraction thereof.
(2) Bulk mailings under subsec. (e) of this section of—		
(A) Books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions and plants.	18	Each pound or fraction thereof.
(B) Other matter	21	Do."

(b) By amending the table in subsection (b) to read as follows:

"Mailed by—	(In cents)
Other than qualified nonprofit organizations	3½
Qualified nonprofit organizations	1¾"

(c) By striking out the phrase "six cents" in subsection (c), and inserting in lieu thereof "four and one-half cents".

SEC. 9. *Educational and Library Materials.*—Section 4554 of Title 39, United States Code is amended as follows:

(a) By amending subsection (a) to read as follows:

"(a) Except as provided in subsection (b) of this section, the postage rate is 10 cents a pound for the first pound or fraction thereof and 6 cents for each additional pound or fraction thereof except that the rates now or hereafter prescribed for third- or fourth-class matter shall apply in every case where such rate is lower than the rate prescribed in this subsection on—

"(1) books permanently bound for preservation, consisting wholly of reading matter or scholarly bibliography or reading matter with incidental blank spaces for notations and containing no advertising matter other than incidental announcement of books;

"(2) 16-millimeter films and 16-millimeter film catalogs except when sent to commercial theaters;

"(3) printed music, whether in bound form or in sheet form;

"(4) printed objective test materials and accessories thereto used by or in behalf of educational institutions in the testing of ability, aptitude, achievement, interests, and other mental and personal qualities with or without answer, test scores, or identifying information recorded thereon in writing, or by mark;

"(5) sound recordings;

"(6) manuscripts for books, periodicals and music; and

"(7) printed educational reference charts, permanently processed for preservation."

(b) By striking out "4 cents" in paragraph (1) of subsection (b), and inserting in lieu thereof "5 cents", by striking out "1 cent" in paragraph (1) of subsection (b), and inserting in lieu thereof "3 cents", by inserting "(including cooperative processing by libraries)" immediately following "loaned or exchanged" in paragraph (1) of subsection (b), and by striking out the word "students"' immediately preceding "notations" in paragraph (2) of subsection (b).

(c) By striking out:

"(D) bound volumes of periodicals;

"(E) phonograph recordings; and"

in paragraph (2) of subsection (b), and inserting in lieu thereof:

"(D) periodicals, whether bound or unbound;
"(E) sound recordings; and".

(d) by deleting "and catalogs of those items" in subsection (c) and inserting in lieu thereof the following: "scientific or mathematical kits, instruments or other devices and catalogs of those items, and guides or scripts prepared solely for use with such materials."

SEC. 10. *Method of Determining Gross Receipts.*—Subsection (c) of section 711 of Title 39, United States Code is amended by striking out "Public Law 85–426" and inserting in lieu thereof "any Act of Congress enacted on or after May 27, 1958".

SEC. 11. *Effective Date.*—This Act shall become effective on July 1, 1961.

OFFICE OF THE POSTMASTER GENERAL,
Washington, D.C., July 10, 1961.

Hon. TOM MURRAY,
Chairman, Committee on Post Office and Civil Service, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your request for the views of this Department with respect to H.R. 7927, a bill to adjust postal rates, and for other purposes.

The subject bill would modify the Postal Policy Act (now 39 U.S.C. 2303) as follows:

(*a*) It deletes from the present list of public services the "loss resulting from the operation of such prime and necessary public services as the star route system and third- and fourth-class post offices" (39 U.S.C. 2303(a)(2)).

(*b*) For the enumerated public services, "loss" or "total loss" would be the excess of their allocated costs over revenues.

(*c*) By April 1 of each fiscal year, the Postmaster General would be required to estimate the public service losses for that year and the corresponding amount would then be deducted from the total costs of the Department for purposes of adjusting postal rates and fees.

The Department endorses these changes for the following major reasons:

(*a*) They would facilitate compliance with the Postal Policy Act (39 U.S.C. 2302(c)(4)) by recognizing total losses on public services before balancing costs and revenues. In the past 3 years, fulfillment of the financial objectives of the Postal Policy Act has been hampered because of differences in the Congress concerning the amounts to be appropriated for public services. The subject bill corrects the underlying cause by clarifying the guidelines for computing public services. The major issue has centered on two possible approaches in determining losses on free and reduced-rate mail: revenue foregone versus total loss. Enactment of the proposed legislation would resolve that controversy.

(*b*) The precise amounts to be ascribed to public services would be determined routinely as a byproduct of Post Office cost ascertainment. There would no longer be any need for an annual public service review with its attendant delays and added burdens for the Congress.

(*c*) Deletion of "losses" on star routes and small post offices would remove an objectionable feature from the present enumeration of public services. Star routes and small post offices are integral parts of a nationwide communications and transportation complex. Without

these facilities the postal service could not fulfill its recognized responsibility, as stated in the Postal Policy Act, to "unite more closely the American people, to promote the general welfare, and to advance the national economy."

Retention of star routes and small post offices in 39 U.S.C. 2303(a) would result in a partial double counting of public service allowances under the proposed language defining these losses. Significant portions of the cost of star routes and small post offices have been allocated to the costs of handling free and reduced-rate mail and to special services such as money orders and c.o.d.'s. The losses from these mails and services are already stipulated as public service credits under 39 U.S.C. 2303(a). To count these costs again in determining the "loss" on star routes and small post offices represents an unjustifiable charge against the Treasury for public service credits.

Adoption of the public service provisions of the subject legislation would call for a new approach to rate adjustment within the framework of the Postal Policy Act. The amount of additional revenue to be sought through higher postal rates is reduced.

The subject bill proposes increases in rates sufficient to bring postal revenues in line with costs after allowance for revised public services. The increases proposed would provide the minimum amount of additional postal revenues needed for a more equitable sharing of costs between the taxpayer and the users of the mails.

In consonance with 39 U.S.C. 2302(c)(2), the subject legislation requests first-class postage rates which represent fair and reasonable prices for this primary service of the postal system, prices consistent with the value of the services received by the users of first-class mail. These first-class postage rates are sufficient to cover allocated expenses plus an additional amount for the value of preferential handling. This pricing approach stems from the fact that costs alone do not reflect value. Many services and privileges attached to first-class mail service are intangible in the sense that they cannot be included in allocated expenses. But the inability of cost-accounting processes (by which expenses are allocated) to place a price tag on these intangible benefits does not diminish their real and significant value to the patrons of the mail.

A value-of-service, or premium price, for preferred handling is the traditional and economically accepted pricing practice throughout the world, in industry and in government.

It is the pricing formula prescribed by the Universal Postal Union for international letter mail.

It is the method employed by most foreign postal administrations in setting rates for their domestic mails.

It is the approach long followed by the Interstate Commerce Commission in approving transportation rates.

It is the approach which the Congress of the United States endorsed for many years when the value-of-service premium on first-class mail averaged 40 percent in excess of cost in the period from 1926 through 1941.

Revenues from first-class mail are now slightly below allocated costs and substantially below any reasonable level based on value of service. The proposed 1-cent increase in first-class mail is necessary to enable lagging rates to catch up with cost increases. Since 1932, when a 3-cent letter rate was first approved, the Consumer Price

Index has risen 118 percent and the cost of handling a first-class letter has increased 130 percent. But letter rates have gone up only 33 percent. A 5-cent rate would bring the total increases since 1932 to 67 percent.

In second- and third-class mail, the subject legislation proposes higher postage to adjust for cost increases which have arisen since rates were last modified in 1958. These further rate adjustments, together with the proposed modifications for computing public services, would result in substantially higher coverage of costs in both classes of mail.

Cost coverage for free and reduced-rate mails would be raised to 100 percent by reason of the "total loss" approach for public services. For the classes as a whole, the Department's revenues would be about 55 percent of cost in second class and 83 percent in third class. The relatively low cost coverage for second class, though substantially higher than in the past, is consistent with the established congressional policy of below-cost rates for newspapers and periodicals. From the very beginning of the U.S. postal system, low postage rates for these media have reflected the belief of Congress that wide distribution of reading matter should be encouraged for the public good.

From the standpoint of clarity, it seems desirable to make one technical revision in H.R. 7927, as follows: On page 5, line 20, strike out "within or."

This Department approves enactment of H.R. 7927 subject to the relatively minor change noted above.

We have been advised by the Bureau of the Budget that from the standpoint of the administration's program there is no objection to the presentation of this report to the committee.

Sincerely yours,

EDWARD DAY,
Postmaster General.

CHANGES IN EXISTING LAW PROPOSED BY THE BILL, AS INTRODUCED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 39 OF THE UNITED STATES CODE

TITLE 39—THE POSTAL SERVICE

* * * * * * *

CHAPTER 7—POST OFFICES

* * * * * * *

§ 711. Method of determining gross receipts

(a) In determing gross receipts at post offices of the fourth class, the Postmaster General shall allow credit only for the postage collected in addition to the regular rate on business reply cards and letters in business reply envelopes delivered at those offices.

(b) The gross receipts do not include money received for—

(1) setting meters for patrons beyond the area served by his office unless authorized by the Department;

(2) stamps, stamped envelopes and postal cards sold in large or unusual quantities to be used in mailing matter at other offices; and

(3) stamps, stamped envelopes and postal cards sold for mailing matter diverted from other offices, and mailings of matter so diverted without stamps affixed.

(c) The part of the gross postal receipts of a post office, that are determined in accordance with estimates of the Postmaster General to be attributable to the increases in postage rates provided by [Public Law 85–426], *any Act of Congress enacted on or after May 27, 1958,* may not be counted for the purpose of determining the classes of the respective post offices and the compensation and allowances of postmasters and other employees whose compensation or allowances are based on the annual gross receipts of such post offices. This section does not operate to relegate a post office to a class or receipts category below the class or receipts category to which it may be assigned on the basis of gross postal receipts accruing during the last complete calendar year prior to May 27, 1958, or, in the case of a post office which was in existence on that date but which was not in existence during the whole of that calendar year, on the basis of gross postal receipts accruing during the last quarter prior to May 27, 1958.

* * * * * * *

CHAPTER 27—POSTAL POLICY AND FISCAL REPORTS

POSTAL POLICY

Sec.
2301. Findings of Congress.
2302. Declaration of policy.
2303. Identification of [and appropriations for] public services *and costs thereof.*
2304. Reviews, studies, surveys, and reports of Postmaster General.
2305. Effect on fourth class mail rates.
2306. Costs for establishing postal rates.

REPORTS

2331. Cost Ascertainment.
2332. Postal Modernization Fund.

§ 2301. Findings of the Congress

The Congress hereby finds that—

(1) the postal establishment was created to unite more closely the American people, to promote the general welfare, and to advance the national economy;

(2) the postal establishment has been extended and enlarged through the years into a nationwide network of services and facilities for the communication of intelligence, the dissemination of information, the advancement of education and culture, and the distribution of articles of commerce and industry. Furthermore, the Congress has encouraged the use of these broadening services and facilities through reasonable and, in many cases, special postal rates;

(3) the development and expansion of these several elements of postal service, under authorization by the Congress, have been the impelling force in the origin and growth of many and varied

business, commercial, and industrial enterprises which contribute materially to the national economy and the public welfare and which depend upon the continuance of these elements of postal service;

(4) historically and as a matter of public policy there have evolved, in the operations of the postal establishment authorized by the Congress, certain recognized and accepted relationships among the several classes of mail. It is clear, from the continued expansion of the postal service and from the continued encouragement by the Congress of the most widespread use thereof, that the postal establishment performs many functions and offers its facilities to many users on a basis which can only be justified as being in the interest of the national welfare;

(5) while the postal establishment, as all other Government agencies, should be operated in an efficient manner, it clearly is not a business enterprise conducted for profit or for raising general funds, and it would be an unfair burden upon any particular user or class of users of the mails to compel them to bear the expenses incurred by reason of special rate considerations granted or facilities provided to other users of the mails, or to underwrite those expenses incurred by the postal establishment for services of a nonpostal nature; and

(6) the public interest and the increasing complexity of the social and economic fabric of the Nation require an immediate, clear, and affirmative declaration of congressional policy with respect to the activities of the postal establishment including those of a public service nature as the basis for the creation and maintenance of a sound and equitable postal-rate structure which will assure efficient service, produce adequate postal revenues, and stand the test of time.

§ 2302. Declaration of policy

(a) The Congress hereby emphasizes, reaffirms, and restates its function under the Constitution of the United States of forming postal policy.

(b) It is hereby declared to be the policy of the Congress, as set forth in sections 2301–2305 of this title—

(1) that the post office is a public service;

(2) to provide a more stable basis for the postal-rate structure through the establishment of general principles, standards, and related requirements with respect to the determination and allocation of postal revenues and expenses; and

(3) in accordance with these general principles, standards, and related requirements, to provide a means by which the postal-rate structure may be fixed and adjusted by action of the Congress, from time to time, as the public interest may require, in the light of periodic reviews of the postal-rate structure, periodic studies and surveys of expenses and revenues, and periodic reports, required to be made by the Postmaster General as provided by section 2304 of this title.

(c) The general principles, standards, and related requirements referred to in subsection (b) of this section are as follows:

(1) In the determination and adjustment of the postal-rate structure, due consideration should be given to—

(A) the preservation of the inherent advantages of the postal service in the promotion of social, cultural, intellectual, and commercial intercourse among the people of the United States;

(B) the development and maintenance of a postal service adapted to the present needs, and adaptable to the future needs, of the people of the United States;

(C) the promotion of adequate, economical, and efficient postal service at reasonable and equitable rates and fees;

(D) the effect of postal services and the impact of postal rates and fees on users of the mails;

(E) the requirements of the postal establishment with respect to the manner and form of preparation and presentation of mailings by the users of the various classes of mail service;

(F) the value of mail;

(G) the value of time of delivery of mail; and

(H) the quality and character of the service rendered in terms of priority, secrecy, security, speed of transmission, use of facilities and manpower, and other pertinent service factors.

(2) The acceptance, transportation, and delivery of first class mail constitutes a preferred service of the postal establishment and, therefore, the postage for first class mail should be sufficient to cover (A) the entire amount of the expenses allocated to first class mail in accordance with sections 2301–2305 of this title and (B) an additional amount representing the fair value of all extraordinary and preferential services, facilities, and factors relating thereto.

(3) Those services, elements of service, and facilities rendered and provided by the postal establishment in accordance with law, including services having public service aspects, which, in whole or in part, are held and considered by the Congress from time to time to be public services for the purposes of sections 2301–2305 of this title shall be administered on the following basis:

(A) the sum of such public service items as determined by the Congress should be assumed directly by the Federal Government and paid directly out of the general fund of the Treasury and should not constitute direct charges in the form of rates and fees upon any user or class of users of such public services, or of the mails generally; and

(B) nothing contained in any provision of section 2301–2305 of this title should be construed as indicating any intention on the part of the Congress (i) that such public services, or any of them, should be limited or restricted or (ii) to derogate in any way from the need and desirability thereof in the public interest.

(4) Postal rates and fees shall be adjusted from time to time as may be required to produce the amount of revenue approximately equal to the total cost of operating the postal establishment less the amount [deemed] *determined under section 2303 of this title* to be attributable to the performance of public services [under section 2303(b) of this title].

§ 2303. Identification of [and appropriations for] public services *and costs thereof*

(a) The following shall be considered to be public services for the purposes of sections 2301–2305 of this title—

(1) the total loss resulting from the transmission of matter in the mails free of postage or at reduced rates of postage as provided by statute, including the following:

(A) reduced rates for certain publications as provided by sections 4359 and 4360 of this title;

(B) penalty mailings of the Pan American Union and the Pan American Sanitary Bureau as provided by section 4152(a) of this title;

(C) free-in-county mailing of publications as provided by section 4358 of this title;

(D) free postage and reduced postage rates on reading matter and other articles for the blind as provided by sections 4653 and 4654 of this title;

(E) free mailing privileges for members of the diplomatic corps of the countries of the Postal Union of the Americas and Spain as provided by section 4167 of this title;

(F) free mailing privileges granted to individuals by the Act of May 7, 1945 (59 Stat. 707) and other provisions of law;

(G) reduced third-class postage rates to certain organizations as provided by section 4452 of this title;

(H) section 302 of The Federal Voting Assistance Act of 1955 (5 U.S.C. 2192), granting free postage, including free airmail postage, to post cards, ballots, voting instructions, and envelopes transmitted in the mails under authority of that Act; and

(I) reduced postage rates on books, films, and similar educational material as provided by section 4554 of this title.

[(2) the loss resulting from the operation of such prime and necessary public services as the star route system and third and fourth class post offices;]

[(3)] *(2)* the loss incurred in performing nonpostal services, such as the sale of documentary stamps for the Department of the Treasury;

[(4)] *(3)* the loss incurred in performing special services such as cash on delivery, insured mail, special delivery, and money orders; and

[(5)] *(4)* the additional cost of transporting United States mail by foreign air carriers at a Universal Postal Union rate in excess of the rate prescribed for United States carriers.

The terms "total loss" and "loss" as used in this subsection mean the amounts by which the total allocated costs incurred by the postal establishment in the performance of the public services enumerated in this subsection exceed the total revenues received by the postal establishment for the performance of such public services.

[(b) There is hereby authorized to be appropriated to the revenues of the Post Office Department for each fiscal year from any money in the Treasury not otherwise appropriated an amount, which shall be deemed to be attributable to the public services enumerated under

subsection (a) of this section, equal to the total estimated expenditures of the Post Office Department for the year for such public services as determined by the Congress in the appropriation Act based upon budget estimates submitted to the Congress. The appropriations shall be available to enable the Postmaster General to pay in to postal revenues at quarterly or other intervals such sums as may be necessary to reimburse the Post Office Department for the amount attributable to public services.]

(b) The Postmaster General shall report to the Congress, on or before April 1 of each year beginning with the year 1962, the estimated amount by which, in the then current fiscal year, the cost incurred by the postal establishment in the performance of each of the public services enumerated in subsection (a) of this section exceeds the revenue received by the postal establishment for the performance of each such public service. The aggregate amount by which, in any fiscal year, the costs incurred by the postal establishment in the performance of such public services exceed the aggregate amount of the revenues received by the postal establishment for the performance of such public services shall be excluded from the total cost of operating the postal establishment for purposes of adjustment of postal rates and fees.

* * * * * * *

CHAPTER 59—FIRST CLASS MAIL

* * * * * * *

§ 4253. Postage rates on first class mail

(a) Postage on first class mail is computed separately on each letter or piece of mail. The rate of postage on first class mail is [four] *five* cents for each ounce or fraction of an ounce, except that the rate—

(1) on drop letters is [three] *four* cents for each ounce or fraction of an ounce;

(2) for each single postal card and each portion of a double postal card, including the cost of manufacture, is [three] *four* cents;

(3) for each post card and the initial portion of each double post card conforming to section 4251(c) of this title is [three] *four* cents.

(b) The rate of postage on business reply mail is the regular rate prescribed in subsection (a) of this section together with an additional charge thereon of two cents for each piece weighing two ounces or less and five cents for each piece weighing more than two ounces. The postage and charge shall be collected on delivery.

§ 4254. Business reply mail

The Postmaster may accept for transmission in the mails, without prepayment of postage, business reply cards, letters, and business reply envelopes, and any other matter under business reply labels.

CHAPTER 61—AIR MAIL AND AIR PARCEL POST

Sec.
4301. Definitions.
4302. Treatment of air mail.
4303. Postage rates on air mail.
4304. Postage on Alaskan air mail.
4305. Size and weight limits.

§ 4301. Definitions

As used in this chapter—

(1) "domestic air mail" means matter bearing postage at the rates of postage prescribed in sections 4303 and 4304 of this title which is mailed in the United States Postal Service for transportation by air and delivery by the United States Postal Service.

(2) "air parcel post" means domestic air mail of any class weighing in excess of eight ounces.

§ 4302. Treatment of air mail

(a) Except with respect to the postage required, domestic air mail, other than air parcel post, shall be treated as first class mail.

(b) The Postmaster General shall prescribe the conditions under which air parcel post shall be—

(1) forwarded or returned to the sender;

(2) charged with forwarding or return postage; and

(3) registered, insured, or given C.O.D. service.

§ 4303. Postage rates on air mail

(a) Except as provided in section 4304 of this title and subsection (b) of this section the rate of postage on domestic air mail weighing not more than eight ounces is [seven] *eight* cents for each ounce or fraction thereof.

(b) The rate of postage on each postal card and post card sent as domestic air mail is [five] *six* cents.

(c) The rate of postage on letters in business reply envelopes and on business reply cards sent as domestic air mail is the regular rate prescribed in subsection (a) or (b) together with an additional charge thereon of two cents for each piece weighing two ounces or less and five cents for each piece weighing more than two ounces. The postage and charge shall be collected on delivery.

(d) (1) The rates of postage on air parcel post are based on the eight zones established for fourth class mail in accordance with the following table:

Zones	First pound over 8 ounces or fraction thereof	Additional pounds or fraction thereof
	Cents	*Cents*
1, 2, and 3	60	48
4	65	50
5	70	56
6	75	64
7	75	72
8	80	80

(2) The rate of postage on airmail of the first class weighing in excess of eight ounces shall be the rate provided for air parcels, but in no case shall be less than [3 cents an ounce or fraction thereof] *the rate of postage for other first-class mail matter.*

(3) In addition to parcels to which it is otherwise applicable, the eighth zone includes, for purposes of this section only, parcels transported as follows:

(A) between the United States, its Territories and possessions or the Commonwealth of Puerto Rico, and the Canal Zone,

(B) between the United States, its Territories and possessions or the Commonwealth of Puerto Rico, and Army and Air Forces post offices and naval vessels and commands, when the address is in care of Fleet Post Offices, New York, New York, or San Francisco, California.

(e) Air parcel post of light weight in relation to size is subject to such surcharge as the Postmaster General determines to be warranted by reason of the extra space and care required in handling and transporting it.

* * * * * * *

CHAPTER 63—SECOND CLASS MAIL AND CONTROLLED CIRCULATION PUBLICATIONS

SECOND CLASS MAIL

Sec.
4351. Definition.
4352. Entry as second class mail.
4353. Entry of foreign publications.
4354. Conditions for entry of publications.
4355. Conditions for entry of publications of certain organizations.
4356. Conditions for entry of publications of State departments of agriculture.
4357. Fees for entry and registration.
4358. Postage rates within county of publication.
4359. Postage rates beyond county of publication.
4360. Minimum postage *for second class mail.*
4361. Rates for proofs of advertisements.
4362. Transient postage rate.
4363. Separation by mailer of second class mail.
4364. Information to be furnished by mailer.
4365. Permissible marks and enclosures.
4366. Permissible supplements.
4367. Marking of advertising matter.
4368. Affidavits relating to mailings, second class mail.
4369. Affidavits relating to publications of the second class.
4370. Delivery of newspapers by postal transportation service.

CONTROLLED CIRCULATION PUBLICATIONS

4421. Definition.
4422. Rates.

* * * * * * *

§ 4359. Postage rates beyond county of publication

(a) Except as provided in sections 4358, 4361, and 4362 of this title, the rates of postage set out in this section are applicable to copies of publications entered as second class mail when (1) mailed by the publisher thereof from the post office of publication and entry or other post office where entry is authorized and (2) when mailed by news agents, registered as such under regulations prescribed by the Postmaster General, to actual subscribers thereto or to other news agents for the purpose of sale and (3) sample copies to the extent of 10 per centum of the weight of copies mailed to subscribers during the calendar year.

[(b) Subject to the minimum rates provided by section 4360 of this title, the rates of postage on publications mailed in accordance with subsection (a) of this section are fixed by the pound as follows:]

(b) (1) Subject to the minimum rate provided for publications of qualified nonprofit organizations and classroom publications by section 4360 of this title, the rates of postage on publications mailed in accordance with subsection (a) of this section are fixed both by the piece as provided in paragraph (2) of this subsection and by the pound as provided in the following table:

[*In cents*]

	Classroom publications	Other publications		
		Mailed during calendar year 1959	Mailed during calendar year 1960	Mailed after Dec. 31, 1960
Advertising portion.				
Zones 1 and 2	1.5	2.2	2.6	3.0
Zone 3	2.0	3.0	3.5	4.0
Zone 4	3.0	4.5	5.2	6.0
Zone 5	4.0	6.0	7.0	8.0
Zone 6	5.0	7.7	8.7	10.0
Zone 7	6.0	9.2	11.0	12.0
Zone 8	7.0	11.0	12.5	14.0
Nonadvertising portion	1.5	2.1	2.3	2.5
A publication of a qualified nonprofit organization	----------	1.5	1.5	1.5

(2) The piece rates of postage are charged on each individually addressed copy of a publication (except a publication of a qualified nonprofit organization and a classroom publication) mailed in accordance with subsection (a) of this section in addition to the pound rates. The piece rates are as follows:

Publications other than classroom publications and other than publications of qualified nonprofit organizations—½ cent, effective on and after January 1, 1962, and before January 1, 1963; and 1 cent, effective on and after January 1, 1963.

(c) For the purpose of this section, the portion of a publication devoted to advertisements shall include all advertisements inserted in the publication and attached permanently thereto.

(d) The publisher of a classroom publication or of a publication of a nonprofit organization before being entitled to the rates for the publications shall furnish such proof of qualifications as the Postmaster General prescribes.

(e) As used in this section the term—

(1) "classroom publication" means a religious, educational or scientific publication entered as second class mail and designed specifically for use in classrooms or in religious instruction classes;

(2) "a publication of a qualified nonprofit organization" means a publication published by and in the interest of one of the following types of organizations or associations if it is not organized for profit and none of its net income inures to the benefit of any private stockholder or individual: Religious, educational, scientific, philanthropic, agricultural, labor, veterans', and fraternal; and

(3) "zones" means the eight zones established for fourth class mail.

§ 4360. Minimum postage *for second-class mail*

The following are the minimum rates for each individually addressed copy of second-class mail:

SECOND-CLASS MINIMUM RATES

[In cents]

	Mailed during calendar year 1959	Mailed during calendar year 1960	Mailed after Dec. 31, 1960
For delivery within county of publication except when mailed free under sec. 4358(a) of this title	1/8	1/8	1/4
For delivery beyond county of publication:			
Classroom and nonprofit organization publication	1/8	1/8	1/4
Other publications	1/4	3/8	1/2

The minimum rate for each individually addressed copy of a publication of a qualified nonprofit organization and for each individually addressed copy of a classroom publication, mailed for delivery within or beyond the county of publication, is 1/8 cent. The minimum rate for each individually addressed copy of a publication (other than a publication of a qualified nonprofit organization or a classroom publication) mailed before January 1, 1962, for delivery within or beyond the county of publication is 1/2 cent.

* * * * * * *

CONTROLLED CIRCULATION PUBLICATIONS

§ 4421. Definition

Controlled circulation publications are those publications which—

(1) contain twenty-four pages or more;

(2) are issued at regular intervals of four or more times a year;

(3) devote 25 per centum or more of their pages to text or reading matter and not more than 75 per centum to advertising matter;

(4) may be circulated free or mainly free; and

(5) are not owned and controlled by one or several individuals or business concerns and conducted as an auxiliary to and essentially for the advancement of the main business or calling of those who own or control them.

§ 4422. Rates of postage

The postage rate on controlled circulation publications found by the Postmaster General to meet the definition contained in section 4421 of this title when mailed in the manner prescribed by the Postmaster General, is 12 cents a pound or fraction thereof, regardless of the weight of the individual copies, with a minimum charge of [1 cent] *3 cents* for each piece. The rates provided in this section shall remain in effect until otherwise provided by the Congress.

CHAPTER 65—THIRD CLASS MAIL

Sec.
4451. Definition.
4452. Postage rates.
4453. Permissible marks and enclosures.

§ 4451. Definition

(a) Third class mail consists of mailable matter which is—

(1) not mailed or required to be mailed as first class mail;

(2) not entered as second class mail; [and]

(3) less than sixteen ounces in weight[.] *; and*

(4) not mailed during the period December 15 to December 25, inclusive, of each year.

(b) A person who presents for mailing at one time twenty or more identical copies of bills and statements of account produced by any photographic or mechanical process, other than typewriting, may mail them as third class mail. In other cases, bills and statements of account shall be mailed as first class mail.

(c) Circulars, including printed letters which according to internal evidence are being sent in identical terms to several persons, are third class mail. A circular does not lose its character as such when the date and name of the addressee and of the sender are written therein, nor by the correction in writing of mere typographical errors.

(d) Unsealed letters written in point print or raised characters, or on sound reproduction records, used by the blind are third class mail without regard to the limit on weight prescribed in subsection (a)(2) of this section.

(e) Printed matter within the limit of weight set forth in subsection (a) of this section is third class mail. For the purpose of this subsection, printed matter is paper on which words, letters, characters, figures or images, or any combination thereof, not having the character of actual and personal correspondence, have been reproduced by any process other than handwriting or typewriting.

§ 4452. Postage rates

(a) Subject to the minimum charge per piece provided in subsections (b) and (c) of this section, the postage rates on third class mail are as follows:

Type of mailing	Rate	Unit
	Cents	
(1) Individual piece	3 1½	First 2 ounces or fraction thereof. Each additional ounce or fraction thereof.
(2) Bulk mailings under subsec. (e) of this section of—		
(A) Books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions and plants.	10	Each pound or fraction thereof.
(B) Other matter	16	Do.

Type of mailing	*Rate*	*Unit*
	Cents	
(1) Individual piece	*4* *1½*	*First 2 ounces or fraction thereof.* *Each additional ounce or fraction thereof.*
(2) Bulk mailings under subsec. (e) of this section of—		
(A) Books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions and plants—		
(i) Qualified nonprofit organizations	*10*	*Each pound or fraction thereof.*
(ii) Others	*12*	*Do.*
(B) Other matter	*16*	*Do.*

(b) Matter mailed in bulk under subsection (e) of this section is subject to the following minimum charge for each piece unless a higher minimum rate is applicable under subsection (c) of this section:

[In cents]

Mailed by—	Through June 30, 1960	After June 30, 1960
Other than qualified nonprofit organizations	2	2½
Qualified nonprofit organizations	(1)	(1)

[1] One-half the minimum charge applicable to other than nonprofit organizations.

Mailed by—	*(In cents)*
Other than qualified nonprofit organizations	*3*
Qualified nonprofit organizations	*1¼*

(c) The minimum postage rate on pieces or packages of third class mail of such size or form as to prevent ready facing and tying in bundles and requiring individual distribution is [3½] *four and one-half* cents.

(d) The term "qualified nonprofit organization" as used in subsections (a) and (b) of this section means religious, educational, scientific, philanthropic, agricultural, labor, veterans, or fraternal organizations or associations not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual. Before being entitled to the preferential rates set out in subsections (a) and (b) of this section, the organization, or association shall furnish proof of its qualifications to the Postmaster General.

(e) Upon payment of a fee of $20 for each calendar year or portion tion thereof, any person may mail in the manner directed by the

Postmaster General, separately addressed, identical pieces of third class mail in quantities of not less than twenty pounds or of not less than two hundred pieces subject to pound rates of postage applicable to the entire bulk mailed at one time.

§ 4453. Permissible marks and enclosures

Only marks and enclosures permissible in the case of fourth class mail, pursuant to section 4555 of this title, may be placed on or enclosed in third class mail.

CHAPTER 67—FOURTH CLASS MAIL

Sec.

4551. Definition.
4552. Size and weight limitations.
4553. Postal zones.
4554. Postage rates on books and films.
4555. Permissible marks and enclosures.

* * * * * * *

§ 4554. Postage rates on books, films, and similar educational materials

(a) Except as provided in subsection (b) of this section, the postage rate is 9 cents a pound for the first pound or fraction thereof and 5 cents for each additional pound or fraction [thereof on—] *thereof, except that the rates now or hereafter prescribed for third- or fourth-class matter shall apply in every case where such rate is lower than the rate prescribed in this subsection on—*

(1) books permanently bound for preservation, consisting wholly of reading matter or scholarly bibliography or reading matter with incidental blank spaces for students' notations and containing no advertising matter other than incidental announcement of books;

(2) 16-millimeter films and 16-millimeter film catalogs except when sent to commercial theaters;

(3) printed music, whether in bound form or in sheet form;

(4) printed objective test materials and accessories thereto used by or in behalf of educational institutions in the testing of ability, aptitude, achievement, interests, and other mental and personal qualities with or without answer, test scores, or identifying information recorded thereon in writing, or by mark;

(5) [phonograph] *sound* recordings; [and]

(6) manuscripts for books, periodicals and music[.]*; and*

(7) *printed educational reference charts, permanently processed for preservation.*

(b)(1) Matter designated in paragraph (2) of this subsection may be mailed at the regular third or fourth class postage rates, or at the rate of 4 cents for the first pound or fraction thereof and 1 cent for each additional pound or fraction thereof when loaned or exchanged (*including cooperative processing by libraries*) between—

(A) schools, colleges or universities;

(B) public libraries, religious, educational, scientific, philanthropic, agricultural, labor, veterans', or fraternal organizations or associations, not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual, or between such organizations and their members, readers or borrowers.

(2) The materials mailable under the rates prescribed in paragraph (1) of this subsection are—

(A) books consisting wholly of reading matter or scholarly bibliography or reading matter with incidental blank spaces for [students'] notations and containing no advertising matter other than incidental announcements of books;

(B) printed music, whether in bound form or in sheet form;

(C) bound volumes of academic theses in typewritten or other duplicated form;

(D) [bound volumes of periodicals] *periodicals, whether bound or unbound*;

(E) [phonograph] *sound* recordings; and

(F) other library materials in printed, duplicated, or photographic form or in the form of unpublished manuscripts.

(3) Before being entitled to the preferential rates under this subsection, the Postmaster General may require an organization or association to furnish satisfactory evidence to him that none of the net income inures to the benefit of any private stockholder or individual.

(c) 16-millimeter films, filmstrips, transparencies for projection, slides, microfilms, sound recordings, [and catalog of those items] *scientific or mathematical kits, instruments, or other devices and catalogs of those items, and guides or scripts prepared solely for use with such materials* may be mailed at the rates prescribed in subsection (b) (1) of this section when sent to or from the institutions, organizations or associations listed in (A) and (B) of subsection (b) (1).

(d) The limit of weight on parcels mailed under this section is 70 pounds.

(e) The postage rates prescribed in this section shall continue until otherwise provided by the Congress.

Changes in Existing Law Proposed by the Bill, as Reported

For the information of the Members of the House, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 39 OF THE UNITED STATES CODE

TITLE 39—THE POSTAL SERVICE

* * * * * * *

CHAPTER 5—GENERAL PROVISIONS

* * * * * * *

§ 505. International postal arrangements

(a) For the purpose of making better postal arrangements with other countries, or to counteract their adverse measures affecting our postal intercourse with them, the Postmaster General, by and with the advice and consent of the President, may negotiate and conclude postal treaties or conventions, and may reduce or increase the rates of postage or other charges on mail matter conveyed between the United States and other countries. *In furtherance of this authority to*

counteract adverse usage of the mails and to reduce the domestic postal deficit, no international mail handling arrangement under which any postal rate, whether or not reciprocal, is established, shall permit the receipt, handling, transport, or delivery by the United States Post Office Department of mail matter determined by the Attorney General to be Communist political propaganda. The decisions of the Postmaster General construing or interpreting the provisions of any treaty or convention which has been or may be negotiated and concluded shall, if approved by the President, be final and conclusive upon all officers of the United States.

(b) The Postmaster General shall transmit a copy of each postal convention concluded with other governments to the Secretary of State, who shall furnish a copy of the same to the Public Printer for publication. The Department shall revise the printed proof sheets of all such conventions.

* * * * * * *

CHAPTER 7—POST OFFICES

* * * * * * *

§ 711. Method of determining gross receipts

(a) In determining gross receipts at post offices of the fourth class, the Postmaster General shall allow credit only for the postage collected in addition to the regular rate on business reply cards and letters in business reply envelopes delivered at those offices.

(b) The gross receipts do not include money received for—

(1) setting meters for patrons beyond the area served by his office unless authorized by the Department;

(2) stamps, stamped envelopes and postal cards sold in large or unusual quantities to be used in mailing matter at other offices; and

(3) stamps, stamped envelopes and postal cards sold for mailing matter diverted from other offices, and mailings of matter so diverted without stamps affixed.

(c) The part of the gross postal receipts of a post office, that are determined in accordance with estimates of the Postamster General to be attributable to the increases in postage rates provided by [Public Law 85–426] *any Act of Congress enacted on or after May 27, 1958,* may not be counted for the purpose of determining the classes of the respective post offices and the compensation and allowances of postmasters and other employees whose compensation or allowances are based on the annual gross receipts of such post offices. This section does not operate to relegate a post office to a class or receipts category below the class or receipts category to which it may be assigned on the basis of gross postal receipts accruing during the last complete calendar year prior to May 27, 1958, or, in the case of a post office which was in existence on that date but which was not in existence during the whole of that calendar year, on the basis of gross postal receipts accruing during the last quarter prior to May 27, 1958.

* * * * * * *

CHAPTER 27—POSTAL POLICY AND FISCAL REPORTS

POSTAL POLICY

Sec.
2301. Findings of Congress.
2302. Declaration of policy.
2303. Identification of [and appropriations for] public services *and costs thereof.*
2304. Reviews, studies, surveys, and reports of Postmaster General.
2305. Effect on fourth class mail rates.
2306. Costs for establishing postal rates.

REPORTS

2331. Cost Ascertainment.
2332. Postal Modernization Fund.

§ 2301. Findings of the Congress

The Congress hereby finds that—

(1) the postal establishment was created to unite more closely the American people, to promote the general welfare, and to advance the national economy;

(2) the postal establishment has been extended and enlarged through the years into a nationwide network of services and facilities for the communication of intelligence, the dissemination of information, the advancement of education and culture, and the distribution of articles of commerce and industry. Furthermore, the Congress has encouraged the use of these broadening services and facilities through reasonable and, in many cases, special postal rates;

(3) the development and expansion of these several elements of postal service, under authorization by the Congress, have been the impelling force in the origin and growth of many and varied business, commercial, and industrial enterprises which contribute materially to the national economy and the public welfare and which depend upon the continuance of these elements of postal service;

(4) historically and as a matter of public policy there have evolved, in the operations of the postal establishment authorized by the Congress, certain recognized and accepted relationships among the several classes of mail. It is clear, from the continued expansion of the postal service and from the continued encouragement by the Congress of the most widespread use thereof, that the postal establishment performs many functions and offers its facilities to many users on a basis which can only be justified as being in the interest of the national welfare;

(5) while the postal establishment, as all other Government agencies, should be operated in an efficient manner, it clearly is not a business enterprise conducted for profit or for raising general funds, and it would be an unfair burden upon any particular user or class of users of the mails to compel them to bear the expenses incurred by reason of special rate considerations granted or facilities provided to other users of the mails, or to underwrite those expenses incurred by the postal establishment for services of a nonpostal nature; and

(6) the public interest and the increasing complexity of the social and economic fabric of the Nation require an immediate, clear, and affirmative declaration of congressional policy with

respect to the activities of the postal establishment including those of a public service nature as the basis for the creation and maintenance of a sound and equitable postal-rate structure which will assure efficient service, produce adequate postal revenues, and stand the test of time.

§ 2302. Declaration of policy

(a) The Congress hereby emphasizes, reaffirms, and restates its function under the Constitution of the United States of forming postal policy.

(b) It is hereby declared to be the policy of the Congress, as set forth in sections 2301–2305 of this title—

(1) that the post office is a public service;

(2) to provide a more stable basis for the postal-rate structure through the establishment of general principles, standards, and related requirements with respect to the determination and allocation of postal revenues and expenses; and

(3) in accordance with these general principles, standards, and related requirements, to provide a means by which the postal-rate structure may be fixed and adjusted by action of the Congress, from time to time, as the public interest may require, in the light of periodic reviews of the postal-rate structure, periodic studies and surveys of expenses and revenues, and periodic reports, required to be made by the Postmaster General as provided by section 2304 of this title.

(c) The general principles, standards, and related requirements referred to in subsection (b) of this section are as follows:

(1) In the determination and adjustment of the postal-rate structure, due consideration should be given to—

(A) the preservation of the inherent advantages of the postal service in the promotion of social, cultural, intellectual, and commercial intercourse among the people of the United States;

(B) the development and maintenance of a postal service adapted to the present needs, and adaptable to the future needs, of the people of the United States;

(C) the promotion of adequate, economical, and efficient postal service at reasonable and equitable rates and fees;

(D) the effect of postal services and the impact of postal rates and fees on users of the mails;

(E) the requirements of the postal establishment with respect to the manner and form of preparation and presentation of mailings by the users of the various classes of mail service;

(F) the value of mail;

(G) the value of time of delivery of mail; and

(H) the quality and character of the service rendered in terms of priority, secrecy, security, speed of transmission, use of facilities and manpower, and other pertinent service factors.

(2) The acceptance, transportation, and delivery of first class mail constitutes a preferred service of the postal establishment and, therefore, the postage for first class mail should be sufficient to cover (A) the entire amount of the expenses allocated to first class mail in accordance with sections 2301–2305 of this title and

(B) an additional amount representing the fair value of all extraordinary and preferential services, facilities, and factors relating thereto.

(3) Those services, elements of service, and facilities rendered and provided by the postal establishment in accordance with law, including services having public service aspects, which, in whole or in part, are held and considered by the Congress from time to time to be public services for the purposes of sections 2301–2305 of this title shall be administered on the following basis:

(A) the sum of such public service items as determined by the Congress should be assumed directly by the Federal Government and paid directly out of the general fund of the Treasury and should not constitute direct charges in the form of rates and fees upon any user or class of users of such public services, or of the mails generally; and

(B) nothing contained in any provision of section 2301–2305 of this title should be construed as indicating any intention on the part of the Congress (i) that such public services, or any of them, should be limited or restricted or (ii) to derogate in any way from the need and desirability thereof in the public interest.

(4) Postal rates and fees shall be adjusted from time to time as may be required to produce the amount of revenue approximately equal to the total cost of operating the postal establishment less the amount [deemed] *determined under section 2303 of this title* to be attributable to the performance of public services [under section 2303(b) of this title].

§ 2303. Identification of [and appropriations for] public services *and costs thereof*

(a) The following shall be considered to be public services for the purposes of sections 2301–2305 of this title—

(1) the total loss resulting from the transmission of matter in the mails free of postage or at reduced rates of postage as provided by statute, including the following:

(A) reduced rates for certain publications as provided by sections 4359 and 4360 of this title;

(B) penalty mailings of the Pan American Union and the Pan American Sanitary Bureau as provided by section 4152(a) of this title;

(C) free-in-county mailing of publications as provided by section 4358 of this title;

(D) free postage and reduced postage rates on reading matter and other articles for the blind as provided by sections 4653 and 4654 of this title;

(E) free mailing privileges for members of the diplomatic corps of the countries of the Postal Union of the Americas and Spain as provided by section 4167 of this title;

(F) free mailing privileges granted to individuals by the Act of May 7, 1945 (59 Stat. 707) and other provisions of law;

(G) reduced third-class postage rates to certain organizations as provided by section 4452 of this title;

(H) section 302 of The Federal Voting Assistance Act of 1955 (5 U.S.C. 2192), granting free postage, including free

airmail postage, to post cards, ballots, voting instructions, and envelopes transmitted in the mails under authority of that Act; and

(I) reduced postage rates on books, films, and similar educational material as provided by section 4554 of this title.

[(2) the loss resulting from the operation of such prime and necessary public services as the star route system and third and fourth class post offices;]

(2) the estimated calculated loss from the operation of such prime and necessary public services as the star route system, third- and fourth-class post offices, and rural routes;

(3) the loss incurred in performing nonpostal services, such as the sale of documentary stamps for the Department of the Treasury;

(4) the loss incurred in performing special services such as cash on delivery, insured mail, special delivery, and money orders; and

(5) the additional cost of transporting United States mail by foreign air carriers at a Universal Postal Union rate in excess of the rate prescribed for United States carriers.

The terms "total loss" and "loss" as used in this subsection mean the amounts by which the total allocated costs incurred by the postal establishment in the performance of the public services enumerated in this subsection exceed the total revenues received by the postal establishment for the performance of such public services.

[(b) There is hereby authorized to be appropriated to the revenues of the Post Office Department for each fiscal year from any money in the Treasury not otherwise appropriated an amount, which shall be deemed to be attributable to the public services enumerated under subsection (a) of this section, equal to the total estimated expenditures of the Post Office Department for the year for such public services as determined by the Congress in the appropriation Act based upon budget estimates submitted to the Congress. The appropriations shall be available to enable the Postmaster General to pay in to postal revenues at quarterly or other intervals such sums as may be necessary to reimburse the Post Office Department for the amount attributable to public services.]

(b) The Postmaster General shall report to the Congress, on or before February 1 of each year beginning with the year 1962, the estimated amount by which, in the then current fiscal year, the cost incurred by the postal establishment in the performance of each of the public services enumerated in subsection (a) of this section will exceed the revenue received by the postal establishment for the performance of such public service. The aggregate amount by which, in any fiscal year, the costs incurred by the postal establishment in the performance of such public services exceed the aggregate amount of the revenues received by the postal establishment for the performance of such public services shall be excluded from the total cost of operating the postal establishment for purposes of adjustment of postal rates and fees. Such aggregate amount shall not be less than 7½ percent of the total current budget for the Post Office Department and shall be held and considered to cover the cost of all public services enumerated in section 2303(a) of this title (relating to public services) and all other public services not so enumerated.

* * * * * * *

CHAPTER 51—NONMAILABLE MATTER

Sec.
4001. Nonmailable matter.
4002. Nonmailable fourth class matter.
4003. Mail bearing a fictitious name or address.
4004. Delivery of mail to persons not residents of the place of address.
4005. Fraudulent and lottery matter.
4006. "Unlawful" matter.
4007. Detention of mail for temporary periods.
4008. Communist political propaganda.

§ 4001. Nonmailable matter

(a) Matter, the deposit of which in the mails is punishable under sections 1302, 1341, 1342, 1461, 1463, 1714, 1715, 1716, 1717, or 1718 of title 18, is nonmailable.

(b) Except as provided in section 4002 of this title, nonmailable matter which reaches the office of delivery, or which may be seized or detained for violation of law, shall be disposed of as the Postmaster General directs.

§ 4002. Nonmailable fourth class matter

(a) Matter of the fourth class is nonmailable which—

(1) exceeds the prescribed size and weight limits; or

(2) is of a character perishable within the period required for transportation and delivery.

(b) Matter made nonmailable by this section which by inadvertence reaches the office of destination may be delivered in accordance with its address, if the party addressed furnishes the name and address of the sender. If the person addressed refuses to furnish the information, the package shall be disposed of as the Postmaster General directs.

§ 4003. Mail bearing a fictitious name or address

(a) Upon evidence satisfactory to the Postmaster General that any person is using a fictitious, false or assumed name, title or address in conducting, promoting or carrying on or assisting therein, by means of the postal service of the United States, an activity in violation of sections 1302, 1341, and 1342 of title 18, the Postmaster General may—

(1) withhold mail so addressed from delivery; and

(2) require the party claiming the mail to furnish proof to him of the claimant's identity and right to receive the mail.

(b) The Postmaster General may issue an order directing that mail, covered by subsection (a), be forwarded to a dead letter office as fictitious matter, or be returned to the senders when the—

(1) party claiming the mail fails to furnish proof of his identity and right to receive the mail; or

(2) the Postmaster General is satisfied that the mail is addressed to a fictitious, false or assumed name, title or address.

§ 4004. Delivery of mail to persons not residents of the place of address

Whenever the Postmaster General is satisfied that letters or parcels sent in the mail are addressed to places not the residence or regular business address of the person for whom they are intended, to enable the person to escape identification, he may deliver the mail only upon identification of the persons so addressed.

§ 4005. Fraudulent and lottery matter

(a) Upon evidence satisfactory to the Postmaster General that any person is engaged in conducting a scheme or device for obtaining money or property through the mail by means of false or fraudulent pretenses, representations, or promises; or engaged in conducting a lottery, gift enterprise, or scheme for the distribution of money or of real or personal property by lottery, chance, or drawing of any kind; the Postmaster General may—

(1) direct postmasters at the office at which registered letters or other letters or mail arrive, addressed to such a person or to his representative, to return the registered letters or other letters or mail to the sender marked "fraudulent" or "lottery mail"; and

(2) forbid the payment by a postmaster to such a person or his representative of any money order or postal note drawn to the order of either and provide for the return to the remitters of the sums named in the money orders or postal notes.

(b) The public advertisement by a person engaged in activities covered by subsection (a) of this section, that remittances may be made by mail to a person named in the advertisement, is prima facie evidence that the latter is the agent or representative of the advertiser for the receipt of remittances on behalf of the advertiser. The Postmaster General is not precluded from ascertaining the existence of the agency in any other legal way satisfactory to him.

(c) As used in this section and section 4006 of this title the term "representative" includes an agent or representative acting as an individual or as a firm, bank, corporation, or association of any kind.

§ 4006. "Unlawful" matter

Upon evidence satisfactory to the Postmaster General that a person is obtaining or attempting to obtain remittances of money or property of any kind through the mail for an obscene, lewd, lascivious, indecent, filthy, or vile article, matter, thing, device, or substance, or is depositing or causing to be deposited in the United States mail information as to where, how, or from whom the same may be obtained, the Postmaster General may—

(1) direct postmasters at the office at which registered letters or other letters or mail arrive, addressed to such a person or to his representative, to return the registered letters or other letters or mail to the sender marked "Unlawful"; and

(2) forbid the payment by a postmaster to such a person or his representative of any money order or postal note drawn to the order of either and provide for the return to the remitters of the sums named in the money orders or postal notes.

§ 4007. Detention of mail for temporary periods

(a) When the Postmaster General determines during proceedings before him that in the administration of section 4006 of this title such action is necessary to the effective enforcement of the section, he may enter an interim order directing that mail addressed to any person be detained by the postmaster at the post office of delivery for twenty days from the effective date of the order. Notice of the order, advising the person of the detention and setting forth in specific detail the reasons therefor, together with a copy of this section and section 4006 of this title, shall be sent forthwith by registered or certified mail to the person at the post office at which the mail is to be

detained. An order for the detention of mail addressed to a person expires at the end of the twenty days after the issuance thereof unless the Postmaster General files, prior to the expiration of the twenty-day period, a petition in the United States district court for the district in which the post office in which the mail is detained is situated, and obtains an order directing that mail addressed to the person be detained for such further period as the court determines. Notice of the filing of such a petition shall be given forthwith by the clerk of the court in which it is filed to the person, at the post office at which the mail is being detained, or otherwise as the clerk of the court determines to be appropriate, and the person shall have five days in which to appear and show cause why the order should not issue.

If, upon all the evidence before it, the court determines that the continued detention of the mail is reasonable and necessary to the effective enforcement of section 4006 of this title, it shall forthwith issue an order directing that mail addressed to that person be detained by the postmaster at the office of delivery until conclusion of the proceeding by the Postmaster General or until further order of the court.

If, upon all the evidence before it, the court determines, that the continued detention of the mail addressed is not reasonable or necessary in the administration of section 4006 of this title, it shall dismiss the petition and order all detained mail addressed to him to be released forthwith for delivery.

An appeal from the order of the court is allowable as in civil causes. An order of the Postmaster General or of the district court, under this section, may be dissolved by that court at any time for cause, including failure to conduct expeditiously the proceedings instituted against the person before the Postmaster General with respect to section 4006 of this title. When, under an order herein authorized to be issued by the Postmaster General or the district court, a person's mail is detained by the postmaster at the office of delivery, that person may examine the mail and receive such mail as clearly is not connected with the alleged unlawful activity.

(b) Action by the Postmaster General in issuing the interim order provided for herein and petitioning for a continuance of an order under this section, is not subject to chapter 19 of title 5.

(c) This section does not apply to mail addressed to publishers of publications which have entry as second-class matter, or to mail addressed to the agents of those publishers.

§ *4008. Communist political propaganda*

No United States postal rate established by the Postage Revision Act of 1961 shall be available for the receipt, handling, transportation, or delivery of mail matter determined by the Attorney General of the United States to be Communist political propaganda financed or sponsored directly or indirectly by any Communist controlled government.

CHAPTER 53—THE SEVERAL CLASSES OF MAIL

Sec.
4051. Prepayment of postage.
4052. Method of paying postage.
4053. Postage meters.
4054. Postage collection on Armed Forces mail.
4055. Refund of postage.
4056. Acceptance of letters by transportation employees or carriers.
4057. Opening first class mail.
4058. Wrapping matter not charged with first class postage.
4059. Addresses on postal cards and unsealed circulars.
4060. Foreign publications free from customs duty.
4061. Correction of mailing lists.

§ 4051. Prepayment of postage

Except as otherwise provided by law, postage shall be prepaid at the time of mailing.

§ 4052. Method of paying postage

(a) Postage may be prepaid—

(1) by postage stamps;

(2) by postage meter stamps;

(3) without stamps as prescribed by the Postmaster General for second class matter mailed by the publisher or registered news agent;

(4) as prescribed by the Postmaster General for controlled circulation publications or for matter mailed at the bulk rates; or

(5) under a permit, without stamps, issued by the Postmaster General.

(b) The fee for a permit under subsection (a)(5) is $10 and shall be paid at the time of application.

§ 4053. Postage meters

A postage meter is a device or mechanism to print prepaid postage or mail matter, which automatically locks when the amount of postage registered therein is exhausted. Meters in the possession of patrons shall be set by postmasters for the amount of postage collected at the time of setting. Mail on which postage is paid by means of a postage meter is called "metered mail". The impressions made by postage meters are called "meter stamps".

§ 4054. Postage collection on Armed Forces mail

The Postmaster General may transmit, without the prepayment of postage, letters of members of the Armed Forces in the service of the United States certified in a manner prescribed by him, and collect the postage upon delivery.

§ 4055. Refund of postage

The Postmaster General may refund out of postal receipts postage which he is satisfied has been—

(1) paid for service not rendered; or

(2) collected in excess of the lawful rate.

§ 4056. Acceptance of letters by transportation employees or carriers

A postal transportation employee or other carrier of the mail shall accept letters presented to him on which postage is properly prepaid by stamps.

§ 4057. Opening first class mail

Only an employee opening dead mail by authority of the Postmaster General, or a person holding a search warrant authorized by law may open any letter or parcel of the first class which is in the custody of the Department.

§ 4058. Wrapping matter not charged with first class postage

(a) The Postmaster General may prescribe the manner of wrapping and securing mail not charged with first class postage so that the contents of the mail may be easily examined. He shall charge the first class rate of postage on all matter which cannot be examined easily.

(b) To ascertain whether the proper rate of postage has been paid, postmasters may examine second class mail and remove the wrappers and envelopes from other mail not bearing first class postage if it can be done without destroying them.

§ 4059. Addresses on postal cards and unsealed circulars

Addresses upon postal cards, post cards and unsealed circulars may be either written, printed, or affixed thereto, at the option of the sender.

§ 4060. Foreign publications free from customs duty

(a) Printed matter other than books received in the mail from foreign countries under the provisions of postal treaties or conventions are free of customs duty.

(b) When books which are admitted to the international mail under the provisions of the Universal Postal Union Convention are subject to customs duty, they may be delivered by the Postmaster General as addressed under such regulations for the collection of duties as may be agreed upon by him and the Secretary of the Treasury.

§ 4061. Correction of mailing lists

The Postmaster General may correct, or provide for the correction of, the mailing lists of postal patrons under conditions, and upon payment of charges, prescribed by the Postmaster General. Such charges shall be in amounts which will reimburse the Post Office Department for the approximate costs incurred by the Department for such special service.

CHAPTER 55—SHORT PAID AND UNDELIVERABLE MAIL

* * * * * * *

§ 4102. Forwarding mail

The Postmaster General shall forward prepaid first class mail from one post office to another at the request of the party addressed without additional charge for postage. He shall charge additional postage on mail of other classes (*except third-class mail*) forwarded from one post office to another in accordance with section 4105 of this title. *He shall not forward third-class mail to other than local addresses.*

* * * * * * *

§ 4105. Disposal of undelivered mail

(a) Undelivered mail, other than letters and parcels of the first class, may be—

(1) disposed of as the Postmaster General directs; or

(2) forwarded to the addressee or returned to the sender.

The postage for the service may be prepaid or collected on delivery in accordance with the instructions and pledge of the addressee or sender.

(b) The Postmaster General may prescribe conditions under which mail covered by subsection (a), including mail which is of an urgent or perishable nature, and for which payment of forwarding or return postage is not pledged, may be forwarded or returned, *except as provided in the last sentence of section 4102 and in the immediately following sentences of this subsection. He may return to the sender, upon prepayment (or a pledge by the sender of payment) of five cents per piece, third-class mail upon which the bulk third-class minimum per piece rate has been paid. He may return other third-class mail to the sender under such conditions, and upon payment of such charges, as he may prescribe, except that the charge shall not be less than an amount which will reimburse the Post Office Department for the approximate costs incurred by the Department for such special service.*

(c) The Postmaster General may sell undelivered parcels containing perishable matter, not forwarded or returned. He shall remit to the sender or rightful owner the amount realized, less a commission of 10 per centum, or 25 cents, whichever is the greater.

CHAPTER 59—FIRST CLASS MAIL

* * * * * * *

§ 4253. Postage rates on first class mail

(a) Postage on first class mail is computed separately on each letter or piece of mail. The rate of postage on first class mail is [four] *five* cents for each ounce or fraction of an ounce, except that the rate—

(1) on drop letters is [three] *four* cents for each ounce or fraction of an ounce;

(2) for each single postal card and each portion of a double postal card, including the cost of manufacture, is [three] *four* cents;

(3) for each post card and the initial portion of each double post card conforming to section 4251(c) of this title is [three] *four* cents.

(b) The rate of postage on business reply mail is the regular rate prescribed in subsection (a) of this section together with an additional charge thereon of two cents for each piece weighing two ounces or less and five cents for each piece weighing more than two ounces. The postage and charge shall be collected on delivery.

§ 4254. Business reply mail

The Postmaster may accept for transmission in the mails, without prepayment of postage, business reply cards, letters, and business reply envelopes, and any other matter under business reply labels.

CHAPTER 61—AIR MAIL AND AIR PARCEL POST

Sec.
4301. Definitions.
4302. Treatment of air mail.
4303. Postage rates on air mail.
4304. Postage on Alaskan air mail.
4305. Size and weight limits.

§ 4301. Definitions

As used in this chapter—

(1) "domestic air mail" means matter bearing postage at the rates of postage prescribed in sections 4303 and 4304 of this title which is mailed in the United States Postal Service for transportation by air and delivery by the United States Postal Service.

(2) "air parcel post" means domestic air mail of any class weighing in excess of eight ounces.

§ 4302. Treatment of air mail

(a) Except with respect to the postage required, domestic air mail, other than air parcel post, shall be treated as first class mail.

(b) The Postmaster General shall prescribe the conditions under which air parcel post shall be—

(1) forwarded or returned to the sender;

(2) charged with forwarding or return postage; and

(3) registered, insured, or given C.O.D. service.

§ 4303. Postage rates on air mail

(a) Except as provided in section 4304 of this title and subsection (b) of this section the rate of postage on domestic air mail weighing not more than eight ounces is [seven] *eight* cents for each ounce or fraction thereof.

(b) The rate of postage on each postal card and post card sent as domestic air mail is [five] *six* cents.

(c) The rate of postage on letters in business reply envelopes and on business reply cards sent as domestic air mail is the regular rate prescribed in subsection (a) or (b) together with an additional charge thereon of two cents for each piece weighing two ounces or less and five cents for each piece weighing more than two ounces. The postage and charge shall be collected on delivery.

(d)(1) The rates of postage on air parcel post are based on the eight zones established for fourth class mail in accordance with the following table:

Zones	First pound over 8 ounces or fraction thereof	Additional pounds or fraction thereof
	Cents	*Cents*
1, 2, and 3	60	48
4	65	50
5	70	56
6	75	64
7	75	72
8	80	80

(2) The rate of postage on airmail of the first class weighing in excess of eight ounces shall be the rate provided for air parcels, but in no case shall be less than [3 cents an ounce or fraction thereof] *the rate of postage for other first-class mail matter.*

(3) In addition to parcels to which it is otherwise applicable, the eighth zone includes, for purposes of this section only, parcels transported as follows:

(A) between the United States, its Territories and possessions or the Commonwealth of Puerto Rico, and the Canal Zone,

(B) between the United States, its Territories and possessions or the Commonwealth of Puerto Rico, and Army and Air Forces post offices and naval vessels and commands, when the address is in care of Fleet Post Offices, New York, New York, or San Francisco, California.

(e) Air parcel post of light weight in relation to size is subject to such surcharge as the Postmaster General determines to be warranted by reason of the extra space and care required in handling and transporting it.

* * * * * * *

CHAPTER 63—SECOND CLASS MAIL AND CONTROLLED CIRCULATION PUBLICATIONS

SECOND CLASS MAIL

Sec.
4351. Definition.
4352. Entry as second class mail.
4353. Entry of foreign publications.
4354. Conditions for entry of publications.
4355. Conditions for entry of publications of certain organizations.
4356. Conditions for entry of publications of State departments of agriculture.
4357. Fees for entry and registration.
4358. Postage rates within county of publication.
4359. Postage rates beyond county of publication.
4360. Minimum postage *for second class mail.*
4361. Rates for proofs of advertisements.
4362. Transient postage rate.
4363. Separation by mailer of second class mail.
4364. Information to be furnished by mailer.
4365. Permissible marks and enclosures.
4366. Permissible supplements.
4367. Marking of advertising matter.
4368. Affidavits relating to mailings, second class mail.
4369. Affidavits relating to publications of the second class.
4370. Delivery of newspapers by postal transportation service.

CONTROLLED CIRCULATION PUBLICATIONS

4421. Definition.
4422. Rates.

* * * * * * *

§ 4359. Postage rates beyond county of publication

(a) Except as provided in sections 4358, 4361, and 4362 of this title, the rates of postage set out in this section are applicable to copies of publications entered as second class mail when (1) mailed by the publisher thereof from the post office of publication and entry or other post office where entry is authorized and (2) when mailed by news agents, registered as such under regulations prescribed by the Postmaster General, to actual subscribers thereto or to other news agents for the purpose of sale and (3) sample copies to the extent of 10 per centum of the weight of copies mailed to subscribers during the calendar year.

(b) Subject to the minimum rates provided by section 4360 of this title, the rates of postage on publications mailed in accordance with subsection (a) of this section are fixed by the pound as follows:

	Classroom publications	Other publications		
		Mailed during calendar year 1959	Mailed during calendar year 1960	Mailed after Dec. 31, 1960
Advertising portion:				
Zones 1 and 2	1.5	2.2	2.6	3.0
Zone 3	2.0	3.0	3.5	4.0
Zone 4	3.0	4.5	5.2	6.0
Zone 5	4.0	6.0	7.0	8.0
Zone 6	5.0	7.7	8.7	10.0
Zone 7	6.0	9.2	11.0	12.0
Zone 8	7.0	11.0	12.5	14.0
Nonadvertising portion	1.5	2.1	2.3	2.5
A publication of a qualified nonprofit organization	----------	1.5	1.5	1.5

	Rates in cents per pound or fraction thereof				
	Classroom publications	*Other publications*			
		Mailed during calendar year 1961	*Mailed during calendar year 1962*	*Mailed during calendar year 1963*	*Mailed after Dec. 31, 1963*
Advertising portion:					
Zones 1 and 2	*1.5*	*3.0*	*3.15*	*3.30*	*3.45*
Zone 3	*2.0*	*4.0*	*4.20*	*4.40*	*4.60*
Zone 4	*3.0*	*6.0*	*6.30*	*6.60*	*6.90*
Zone 5	*4.0*	*8.0*	*8.40*	*8.80*	*9.20*
Zone 6	*5.0*	*10.0*	*10.50*	*11.00*	*11.50*
Zone 7	*6.0*	*12.0*	*12.60*	*13.20*	*13.80*
Zone 8	*7.0*	*14.0*	*14.70*	*15.40*	*16.10*
Nonadvertising portion	*1.5*	*2.5*	*2.63*	*2.75*	*2.88*
A publication of a qualified nonprofit organization	----------	*1.5*	*1.5*	*1.5*	*1.5*

(c) For the purpose of this section, the portion of a publication devoted to advertisements shall include all advertisements inserted in the publication and attached permanently thereto.

(d) The publisher of a classroom publication or of a publication of a nonprofit organization before being entitled to the rates for the publications shall furnish such proof of qualifications as the Postmaster General prescribes.

(e) As used in this section the term—

(1) "classroom publication" means a religious, educational or scientific publication entered as second class mail and designed specifically for use in classrooms or in religious instruction classes;

(2) "a publication of a qualified nonprofit organization" means a publication published by and in the interest of one of the following types of organizations or associations if it is not organized for profit and none of its net income inures to the benefit of any private stockholder or individual: Religious, educational, scientific, philanthropic, agricultural, labor, veterans', and fraternal, and

(3) "zones" means the eight zones established for fourth class mail.

§ 4360. Minimum postage *for second-class mail*

The following are the minimum rates for each individually addressed copy of second-class mail:

SECOND-CLASS MINIMUM RATES

[In cents]

	Mailed during calendar year 1959	Mailed during calendar year 1960	Mailed after Dec. 31, 1960
For delivery within county of publication except when mailed free under sec. 4358(a) of this title	1/8	1/8	1/8
For delivery beyond county of publication:			
Classroom and nonprofit organization publication	1/8	1/8	1/8
Other publications	1/4	3/8	1/2

SECOND-CLASS MINIMUM RATES

[In cents]

	Mailed during calendar year		*Mailed after Dec. 31, 1962*
	1961	*1962*	
For delivery within county of publication except when mailed free under sec. 4358(a) of this title	1/8	1/8	1/8
Classroom and nonprofit organizations publications	1/8	1/8	1/8
Other publications for delivery beyond county of publication	1/2	3/4	*1*

* * * * * * *

CONTROLLED CIRCULATION PUBLICATIONS

§ 4421. Definition

Controlled circulation publications are those publications which—

(1) contain twenty-four pages or more;

(2) are issued at regular intervals of four or more times a year;

(3) devote 25 per centum or more of their pages to text or reading matter and not more than 75 per centum to advertising matter;

(4) may be circulated free or mainly free; and

(5) are not owned and controlled by one or several individuals or business concerns and conducted as an auxiliary to and essentially for the advancement of the main business or calling of those who own or control them.

§ 4422. Rates of postage

The postage rate on controlled circulation publications found by the Postmaster General to meet the definition contained in section 4421 of this title when mailed in the manner prescribed by the Postmaster General, is [12 cents] *14 cents* a pound or fraction thereof, regardless of the weight of the individual copies, with a minimum charge of 1 cent for each piece. The rates provided in this section shall remain in effect until otherwise provided by the Congress.

CHAPTER 65—THIRD CLASS MAIL

Sec.
4451. Definition.
4452. Postage rates.
4453. Permissible marks and enclosures.

§ 4451. Definition

(a) Third class mail consists of mailable matter which is—

(1) not mailed or required to be mailed as first class mail;

(2) not entered as second class mail; [and]

(3) less than sixteen ounces in weight[.]; *and*

(4) not mailed during the period December 15 to December 25, inclusive, of each year.

(b) A person who presents for mailing at one time twenty or more identical copies of bills and statements of account produced by any photographic or mechanical process, other than typewriting, may mail them as third-class mail. In other cases, bills and statements of account shall be mailed as first-class mail.

(c) Circulars, including printed letters which according to internal evidence are being sent in identical terms to several persons, are third-class mail. A circular does not lose its character as such when the date and name of the addressee and of the sender are written therein, nor by the correction in writing of mere typographical errors.

(d) Unsealed letters, written in point print or raised characters, or on sound reproduction records, used by the blind are third-class mail without regard to the limit on weight prescribed in subsection [(a)(2)] *(a)(3)* of this section.

(e) Printed matter within the limit of weight set forth in subsection (a) of this section is third-class mail. For the purpose of this subsection, printed matter is paper on which words, letters, characters, figures or images, or any combination thereof, not having the character of actual and personal correspondence, have been reproduced by any process other than handwriting or typewriting.

(f) Third-class mail shall receive deferred service and shall be processed by postmasters only after all other classes of mail, including "time value" third-class mail, shall have been processed.

§ 4452. Postage rates

(a) Subject to the minimum charge per piece provided in subsections (b) and (c) of this section, the postage rates on third-class mail are as follows:

Type of mailing	Rate	Unit
	Cents	
(1) Individual piece	3	First 2 ounces or fraction thereof.
	1½	Each additional ounce or fraction thereof.
(2) Bulk mailings under subsec. (e) of this section of—		
(A) Books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions and plants.	10	Each pound or fraction thereof.
(B) Other matter	16	Do.

Type of mailing	*Rate*	*Unit*
(1) Individual piece:	*Cents*	
(A) Holiday greeting cards, in accordance with regulations issued by the Postmaster General.	*4*	*Ounce or fraction thereof.*
(B) Other	*5*	*First 3 ounces or fraction thereof.*
	1½	*Each additional ounce or fraction thereof.*
(2) Bulk mailings under subsec. (e) of this section of:		
(A) Books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions and plants:		
(i) Qualified nonprofit organizations	*10*	*Each pound or fraction thereof.*
(ii) Others	*12*	*Do.*
(B) Other matter	*18*	*Do.*

(b) Matter mailed in bulk under subsection (e) of this section is subject to the following minimum charge for each piece unless a higher minimum rate is applicable under subsection (c) of this section:

[In cents]

Mailed by—	Through June 30, 1960	After June 30, 1960
Other than qualified nonprofit organizations	2	2½
Qualified nonprofit organizations	(1)	(1)

[1] One-half the minimum charge applicable to other than nonprofit organizations.

(b) Except as provided in the last sentence of this subsection, matter mailed in bulk under subsection (e) of this section is subject to the following minimum charge for each piece unless a higher minimum rate is applicable under subsection (c) of this section:

Mailed by—	After June 30, 1960
Other than qualified nonprofit organizations	*2½*
Qualified nonprofit organizations	*1¼*

The minimum postage rate per piece on such matter which is mailed under "time value" request or which (under procedures in effect on July 1, 1961) is not directed to a specific individual address is three cents when mailed by other than qualified nonprofit organizations and is one and one-half cents when mailed by qualified nonprofit organizations.

(c) The minimum postage rate on pieces or packages of third-class mail of such size or form as to prevent ready facing and tying in bundles and requiring individual distribution is [3½] *four* cents.

(d) The term "qualified nonprofit organization" as used in subsections (a) and (b) of this section means religious, educational, scientific, philanthropic, agricultural, labor, veterans, or fraternal organizations or associations not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual. Before being entitled to the preferential rates set out in subsections (a) and (b) of this section, the organization, or association shall furnish proof of its qualifications to the Postmaster General.

(e) Upon payment of a fee of [$20] *$25* for each calendar year or portion thereof, any person may mail in the manner directed by the Postmaster General, separately addressed, identical pieces of third class mail in quantities of not less than twenty pounds or of not less than two hundred pieces subject to pound rates of postage applicable to the entire bulk mailed at one time.

§ 4453. Permissible marks and enclosures

Only marks and enclosures permissible in the case of fourth-class mail, pursuant to section 4555 of this title, may be placed on or enclosed in third-class mail.

CHAPTER 67—FOURTH-CLASS MAIL

Sec.

4551. Definition.
4552. Size and weight limitations.
4553. Postal zones.
4554. Postage rates on books and films.
4555. Permissible marks and enclosures.

* * * * * * *

§ 4554. Postage rates on books, films, and similar educational materials

(a) Except as provided in subsection (b) of this section, the postage rate is 9 cents a pound for the first pound or fraction thereof and 5 cents for each additional pound or fraction [thereof on—] *thereof, except that the rates now or hereafter prescribed for third- or fourth-class matter shall apply in every case where such rate is lower than the rate prescribed in this subsection on—*

(1) books permanently bound for preservation, consisting wholly of reading matter or scholarly bibliography or reading matter with incidental blank spaces for students' notations and containing no advertising matter other than incidental announcement of books;

(2) 16-millimeter films and 16-millimeter film catalogs except when sent to commercial theaters;

(3) printed music, whether in bound form or in sheet form;

(4) printed objective test materials and accessories thereto used by or in behalf of educational institutions in the testing of ability, aptitude, achievement, interests, and other mental and personal qualities with or without answer, test scores, or identifying information recorded thereon in writing, or by mark;

(5) [phonograph] *sound* recordings; [and]

(6) manuscripts for books, periodicals and music[.]*; and*

(7) *printed educational reference charts, permanently processed for preservation.*

(b)(1) Matter designated in paragraph (2) of this subsection may be mailed at the regular third or fourth class postage rates, or at the rate of 4 cents for the first pound or fraction thereof and 1 cent for each additional pound or fraction thereof when loaned or exchanged (*including cooperative processing by libraries*) between—

(A) schools, colleges or universities;

(B) public libraries, religious, educational, scientific, philanthropic, agricultural, labor, veterans', or fraternal organizations or associations, not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual, or between such organizations and their members, readers or borrowers.

(2) The materials mailable under the rates prescribed in paragraph (1) of this subsection are—

(A) books consisting wholly of reading matter or scholarly bibliography or reading matter with incidental blank spaces for [students'] notations and containing no advertising matter other than incidental announcements of books;

(B) printed music, whether in bound form or in sheet form;

(C) bound volumes of academic theses in typewritten or other duplicated form;

(D) [bound volumes of periodicals] *periodicals, whether bound or unbound;*

(E) [phonograph] *sound* recordings; and

(F) other library materials in printed, duplicated, or photographic form or in the form of unpublished manuscripts.

(3) Before being entitled to the preferential rates under this subsection, the Postmaster General may require an organization or association to furnish satisfactory evidence to him that none of the net income inures to the benefit of any private stockholder or individual.

(c) 16-millimeter films, filmstrips, transparencies for projection, slides, microfilms, sound recordings, [and catalog of those items] *scientific or mathematical kits, instruments, or other devices and catalogs of those items, and guides or scripts prepared solely for use with such materials* may be mailed at the rates prescribed in subsection (b) (1) of this section when sent to or from the institutions, organizations or associations listed in (A) and (B) of subsection (b) (1).

(d) The limit of weight on parcels mailed under this section is 70 pounds.

(e) The postage rates prescribed in this section shall continue until otherwise provided by the Congress.

MINORITY VIEWS OF HON. EDWARD J. DERWINSKI

This bill should more accurately be labeled the "empty gesture of 1961" since it is not a legitimate postal rate increase and does not eliminate the perennial deficit in post office operations.

The postal rate bill as finally approved by the committee would raise $528 million, in the face of a postal deficit of approximately $950 million. In addition, the House Post Office and Civil Service Committee, after the passage of this postal rate bill, approved a longevity pay increase for postal employees which would add approximately $61 million to the deficit.

I wish to call your particular attention to the artificial formula for public service that is included in this bill. The use of the word "artificial" is necessary to emphasize that the sums to be raised under this bill will not end the postal deficit but, in effect, would cover barely half of the annual operating loss. However, the use of this unrealistic formula for public service permits the proponents of this measure to claim to have eliminated the deficit.

The original bill for postal rate revision as proposed and vigorously supported by the administration would have provided new revenues in the sum of $741.1 million. This original proposal is almost a carbon copy of the postal rate increase unsuccessfully requested by Postmaster General Summerfield during the preceding administration.

After intensive controversy within the committee as a result of continuous complaints lodged by representatives of second- and third-class mail users, a revised bill, H.R. 7927, was proposed which would have raised the sum of $591.3 million. The bill you are being asked to approve is actually the third basic committee proposal, leaving, as I have indicated, an actual cash deficit in excess of $400 million.

Approximately 80 percent of the revenue rate revisions in this, the final committee bill, comes from first class and airmail, with the remainder being spread over various second- and third-class users. In effect, this means that the average citizen—the taxpayer—is being asked to produce the major portion of the revenue. The reason for this interesting development is rather obvious; there are no trade representatives defending the individual citizen. There are, however, organized representatives for second- and third-class mail users.

Furthermore, another justification to relable this bill the "empty gesture of 1961" is found in the fact that the administration is planning a postal salary increase in 1962 for election year purposes, which will have the effect of wiping out most of the increased revenue in this proposal and, in effect, reestablishing the huge annual postal deficit. This whole legislative procedure, therefore, is not sound responsible government; it is fiscally irresponsible; it is merely a clever attempt to appear interested in sound fiscal policies in the Federal Government. However, the transparency is evident to all who review the scene.

However, one of the redeeming features in the bill is the provision adopted at the insistence of the gentleman from Nebraska, Mr. Cunningham, prohibiting the use of American mail facilities by Communist propaganda. This provision is, in my opinion, definitely germane to the bill and should be sustained and vigorously enforced by the Postmaster General and the Attorney General.

I recognize the tremendous deficit which faces our Federal Government and support the Postmaster General in his plea for elimination of the postal deficit. In my humble opinion, the proper step to take is to return to the Postmaster General's original request and reject the halfhearted proposal which received committee approval. It is my intention to offer amendments in the Committee of the Whole to strengthen the revenue-raising provision of this bill and to effectively terminate the postal deficit.

The operations of the Post Office Department are certainly complex and the issue of the postal operations deficit causes repercussions throughout the entire Government structure. It is my opinion that if we are to have a rate increase it should once and for all meet the issue, rather than, as I have continuously referred, be merely "an empty gesture."

EDWARD J. DERWINSKI,
Member of Congress.

○

Union Calendar No. 497

87TH CONGRESS
1ST SESSION

H. R. 7927

[Report No. 1155]

IN THE HOUSE OF REPRESENTATIVES

JUNE 29, 1961

Mr. HENDERSON introduced the following bill; which was referred to the Committee on Post Office and Civil Service

SEPTEMBER 7, 1961

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

A BILL

To adjust postal rates, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Postage Revision Act of 1961".

POSTAL POLICY

SEC. 2. (a) Section 2302 (c) (4) of title 39, United States Code, is amended by striking out "deemed to be attributable to the performance of public services under sec-

tion 2303 (b) of this title" and inserting in lieu thereof "determined under section 2303 of this title to be attributable to the performance of public services".

(b) Section 2303 (a) of title 39, United States Code, is amended—

(1) by amending the heading so as to read "**§ 2303. Identification of public services and costs thereof**";

~~(2) by striking out paragraph (2) and renumbering the succeeding paragraphs accordingly;~~ ~~and~~

(2) by striking out paragraph (2) and inserting in lieu thereof the following new paragraph:

"(2) the estimated calculated loss from the operation of such prime and necessary public services as the star route system, third- and fourth-class post offices, and rural routes;";

and

(3) by adding at the end thereof the following new sentence:

"The terms 'total loss' and 'loss' as used in this subsection mean the amounts by which the total allocated costs incurred by the postal establishment in the performance of the public services enumerated in this subsection exceed the total revenues received by the postal establishment for the performance of such public services."

(c) Section 2303 (b) of title 39, United States Code, is amended to read as follows:

~~"(b) The Postmaster General shall report to the Congress, on or before April 1 of each year beginning with the year 1962, the estimated amount by which, in the then current fiscal year, the cost incurred by the postal establishment in the performance of each of the public services enumerated in subsection (a) of this section exceeds the revenue received by the postal establishment for the performance of each such public service. The aggregate amount by which, in any fiscal year, the costs incurred by the postal establishment in the performance of such public services exceed the aggregate amount of the revenues received by the postal establishment for the performance of such public services shall be excluded from the total cost of operating the postal establishment for purposes of adjustment of postal rates and fees."~~

"(b) The Postmaster General shall report to the Congress, on or before February 1 of each year beginning with the year 1962, the estimated amount by which, in the then current fiscal year, the cost incurred by the postal establishment in the performance of each of the public services enumerated in subsection (a) of this section will exceed the revenue received by the postal establishment for the performance of such public service. The aggregate amount by which, in any fiscal year, the costs incurred by the postal establish-

ment in the performance of such public services exceed the aggregate amount of the revenues received by the postal establishment for the performance of such public services shall be excluded from the total cost of operating the postal establishment for purposes of adjustment of postal rates and fees. Such aggregate amount shall not be less than 7½ percent of the total current budget for the Post Office Department and shall be held and considered to cover the cost of all public services enumerated in section 2303(a) of this title (relating to public services) and all other public services not so enumerated."

(d) The table of contents of chapter 27 of title 39, United States Code, is amended by striking out

"2303. Identification of and appropriations for public services."

and inserting in lieu thereof:

"2303. Identification of public services and costs thereof.".

FIRST-CLASS MAIL

SEC. 3. Section 4253 of title 39, United States Code, is amended by striking out the words "four" and "three" wherever appearing in subsection (a) and inserting in lieu thereof the words "five" and "four", respectively.

AIRMAIL

SEC. 4. Section 4303 of title 39, United States Code, is amended—

(1) by striking out the word "seven" in subsection (a) and inserting in lieu thereof the word "eight";

(2) by striking out the word "five" in subsection (b) and inserting in lieu thereof the word "six"; and

(3) by striking out the phrase "3 cents an ounce or fraction thereof" in paragraph (2) of subsection (d) and inserting in lieu thereof the phrase "the rate of postage for other first-class mail matter".

SECOND-CLASS MAIL BEYOND COUNTY OF PUBLICATION

~~SEC. 5. Section 4359 of title 39, United States Code, is amended—~~

~~(1) by striking out so much of subsection (b) as precedes the table and inserting in lieu thereof the following:~~

~~"(b)(1) Subject to the minimum rate provided for publications of qualified nonprofit organizations and classroom publications by section 4360 of this title, the rates of postage on publications mailed in accordance with subsection (a) of this section are fixed both by the piece as provided in paragraph (2) of this subsection and by the pound as provided in the following table:~~

~~"[In cents]"; and~~

~~(2) by adding at the end of subsection (b) a new paragraph (2), as follows:~~

~~"(2) the piece rates of postage are charged on each~~

~~individually addressed copy of a publication (except a publication of a qualified nonprofit organization and a classroom publication) mailed in accordance with subsection (a) of this section in addition to the pound rates. The piece rates are as follows:~~

~~"Publications other than classroom publications and other than publications of qualified nonprofit organizations $\frac{1}{2}$ cent, effective on and after January 1, 1962, and before January 1, 1963; and 1 cent, effective on and after January 1, 1963."~~

SEC. 5. The table in section 4359(b) of title 39, United States Code, is amended to read as follows:

	"Rates in cents per pound or fraction thereof				
		Other publications			
	Classroom publications	Mailed during calendar year 1961	Mailed during calendar year 1962	Mailed during calendar year 1963	Mailed after December 31, 1963
Advertising portion:					
Zones 1 and 2	1.5	3.0	3.15	3.30	3.45
Zone 3	2.0	4.0	4.20	4.40	4.60
Zone 4	3.0	6.0	6.30	6.60	6.90
Zone 5	4.0	8.0	8.40	8.80	9.20
Zone 6	5.0	10.0	10.50	11.00	11.50
Zone 7	6.0	12.0	12.60	13.20	13.80
Zone 8	7.0	14.0	14.70	15.40	16.10
Nonadvertising portion	1.5	2.5	2.63	2.75	2.88
A publication of a qualified nonprofit organization		1.5	1.5	1.5	1.5 ".

MINIMUM POSTAGE RATES ON SECOND-CLASS MAIL

~~SEC. 6. (a) Section 4360 of title 39, United States Code, is amended to read as follows:~~

~~"§ 4360. Minimum postage for second-class mail~~

~~"The minimum rate for each individually addressed copy of a publication of a qualified nonprofit organization and for each individually addressed copy of a classroom publication, mailed for delivery within or beyond the county of publication, is $\frac{1}{8}$ cent. The minimum rate for each individually addressed copy of a publication (other than a publication of a qualified nonprofit organization or a classroom publication) mailed before January 1, 1962, for delivery within or beyond the county of publication is $\frac{1}{2}$ cent."~~

SEC. 6. (a) The table in section 4360 of title 39, United States Code, is amended to read as follows:

"*SECOND-CLASS MINIMUM RATES*

(*In cents*)

	Mailed during calendar year		*Mailed after Dec. 31, 1962*
	1961	*1962*	
For delivery within county of publication except when mailed free under sec 4358(a) of this title	1/8	1/8	1/8
Classroom and nonprofit organizations publications	1/8	1/8	1/8
Other publications for delivery beyond county of publication	1/2	3/4	*1* ".

(b) The analysis of chapter 63 of title 39, United States Code, is amended by deleting

"4360. Minimum postage."

and inserting in lieu thereof

"4360. Minimum postage for second class mail.".

CONTROLLED CIRCULATION PUBLICATIONS

~~SEC. 7. Section 4422 of title 39, United States Code, is amended by striking out "1 cent" and inserting in lieu thereof "3 cents".~~

SEC. 7. Section 4422 of title 39, United States Code, is amended by striking out "12 cents" and inserting in lieu thereof "14 cents".

THIRD-CLASS MAIL

SEC. 8. (a) Section 4451 (a) of title 39, United States Code, is ~~amended, effective on the date of enactment of this Act~~ *amended—*

(1) by striking out the word "and" at the end of paragraph (2) thereof;

(2) by striking out the period at the end of paragraph (3) thereof and inserting in lieu of such period a semicolon and the word "and"; and

(3) by adding immediately below such paragraph

(3) a new paragraph (4), as follows:

"(4) not mailed during the period December 15 to December 25, inclusive, of each year.".

~~(b) Section 4452 of title 39, United States Code, is amended—~~

~~(1) by amending the table in subsection (a) to read as follows:~~

~~"Type of mailing~~	~~Rate~~	~~Unit~~
	~~Cents~~	
~~(1) Individual piece~~	~~4~~	~~First 2 ounces or fraction thereof.~~
	~~1½~~	~~Each additional ounce or fraction thereof.~~
~~(2) Bulk mailings under subsec. (c) of this section of—~~		
~~(A) Books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions and plants—~~		
~~(i) Qualified nonprofit organizations.~~	~~10~~	~~Each pound or fraction thereof.~~
~~(ii) Others~~	~~12~~	~~Do.~~
~~(B) Other matter~~	~~16~~	~~Do."~~

~~(2) by amending the table in subsection (b) to read as follows:~~

~~"Mailed by—~~	~~(In cents)~~
~~Other than qualified nonprofit organizations~~	~~3~~
~~Qualified nonprofit organizations~~	~~1½~~";

~~and~~

~~(3) by striking out "six cents" in subsection (c) and inserting in lieu thereof "four and one-half cents".~~

(b) Section 4451(d) of title 39, United States Code, is amended by striking out "(a)(2)" and inserting in lieu thereof "(a)(3)".

(c)(1) Subsections (a) and (b) of section 4452 of title 39, United States Code, are amended to read as follows:

"(a) Subject to the minimum charge per piece provided in subsections (b) and (c) of this section, the postage rates on third-class mail are as follows:

"Type of mailing	Rate	Unit
(1) Individual piece:	Cents	
(A) Holiday greeting cards, in accordance with regulations issued by the Postmaster General.	4	Ounce or fraction thereof.
(B) Other	5	First 3 ounces or fraction thereof.
	1½	Each additional ounce or fraction thereof.
(2) Bulk mailings under subsection (e) of this section of—		
(A) Books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions and plants:		
(i) Qualified nonprofit organizations.	10	Each pound or fraction thereof.
(ii) Others	12	Do.
(B) Other matter	18	Do.

"(b) Except as provided in the last sentence of this subsection, matter mailed in bulk under subsection (e) of this section is subject to the following minimum charge for each piece unless a higher minimum rate is applicable under subsection (c) of this section:

"Mailed by—	After June 30, 1960
Other than qualified nonprofit organizations	2½
Qualified nonprofit organizations	1¼

The minimum postage rate per piece on such matter which is mailed under 'time value' request or which (under procedures in effect on July 1, 1961) is not directed to a specific individual address is three cents when mailed by other than qualified nonprofit organizations and is one and one-half cents when mailed by qualified nonprofit organizations."

(2) Subsection (c) of such section 4452 is amended by striking out "3½ cents" and inserting in lieu thereof "four cents".

(3) Subsection (e) of such section 4452 is amended by striking out "fee of $20" and inserting in lieu thereof "fee of $25".

(d)(1) The last sentence of section 4102 of title 39, United States Code, is amended to read as follows: "He shall charge additional postage on mail of other classes (except third-class mail) forwarded from one post office to another in accordance with section 4105 of this title. He shall not forward third-class mail to other than local addresses."

(2) Section 4105(b) of title 39, United States Code, is amended by striking out the period at the end thereof and inserting in lieu thereof the following: ", except as provided in the last sentence of section 4102 and in the immediately following sentences of this subsection. He may return to the sender, upon prepayment (or a pledge by the sender of payment) of five cents per piece, third-class mail upon which the

bulk third-class minimum per piece rate has been paid. He may return other third-class mail to the sender under such conditions, and upon payment of such charges, as he may prescribe, except that the charge shall not be less than an amount which will reimburse the Post Office Department for the approximate costs incurred by the Department for such special service."

(e)(1) Chapter 53 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"§ ***4061. Correction of mailing lists***

"The Postmaster General may correct, or provide for the correction of, the mailing lists of postal patrons under conditions, and upon payment of charges, prescribed by the Postmaster General. Such charges shall be in amounts which will reimburse the Post Office Department for the approximate costs incurred by the Department for such special service."

(2) The analysis of chapter 53 of title 39, United States Code, is amended by adding

"4061. Correction of mailing lists."

immediately below

"4060. Foreign publications free from customs duty.".

(f) Section 4451 of title 39, United States Code, is amended by adding at the end thereof the following new subsection:

"(f) Third-class mail shall receive deferred service and shall be processed by postmasters only after all other classes of mail, including 'time value' third-class mail, shall have been processed."

EDUCATIONAL AND LIBRARY MATERIALS

SEC. 9. Section 4554 of title 39, United States Code, is amended—

(1) by amending that part of subsection (a) which precedes paragraph (1) to read as follows:

"(a) Except as provided in subsection (b) of this section, the postage rate is 9 cents a pound for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof, except that the rates now or hereafter prescribed for third- or fourth-class matter shall apply in every case where such rate is lower than the rate prescribed in this subsection ~~on~~— *on*—"

(2) by amending paragraph (5) of subsection (a) to read as follows:

"(5) sound recordings;";

(3) by striking out the period at the end of para-

graph (6) of subsection (a) and inserting in lieu thereof a semicolon and the word "and";

(4) by adding at the end of subsection (a) the following:

"(7) printed educational reference charts, permanently processed for preservation.";

(5) by inserting "(including cooperative processing by libraries)" immediately following "loaned or exchanged" in paragraph (1) of subsection (b);

(6) by striking out the word "students'" immediately preceding the word "notations" in paragraph (2) of subsection (b);

(7) by striking out:

"(D) bound volumes of periodicals;

"(E) phonograph recordings; and"

in paragraph (2) of subsection (b) and inserting in lieu thereof:

"(D) periodicals, whether bound or unbound;

"(E) sound recordings; and"; and

(8) by striking out "and catalog of those items" in subsection (c) and inserting in lieu thereof "scientific or mathematical kits, instruments, or other devices and catalogs of those items, and guides or scripts prepared solely for use with such materials".

METHOD OF DETERMINING GROSS RECEIPTS

SEC. 10. Section 711(c) of title 39, United States Code, is amended by striking out "Public Law 85–426" and inserting in lieu thereof "any Act of Congress enacted on or after May 27, 1958".

COMMUNIST POLITICAL PROPAGANDA

SEC. 11. (a) Section 505 of title 39, United States Code, is amended by inserting immediately after the first sentence and before the second sentence in subsection (a) thereof, the following sentence: "In furtherance of this authority to counteract adverse usage of the mails and to reduce the domestic postal deficit, no international mail handling arrangement under which any postal rate, whether or not reciprocal, is established, shall permit the receipt, handling, transport, or delivery by the United States Post Office Department of mail matter determined by the Attorney General to be Communist political propaganda."

(b)(1) Chapter 51 of title 39, United States Code, is amended by adding at the end thereof the following section:

"§ 4008. Communist political propaganda

"No United States postal rate established by the Postage Revision Act of 1961 shall be available for the receipt, handling, transportation, or delivery of mail matter determined by the Attorney General of the United States to be Com-

munist political propaganda financed or sponsored directly or indirectly by any Communist controlled government."

(2) The table of contents of such chapter 51 is amended by inserting

"4008. Communist political propaganda."

immediately below

"4007. Detention of mail for temporary periods."

STUDIES AND REPORTS WITH RESPECT TO THIRD-CLASS BULK RATE INCREASES

SEC. 12. The Secretary of Commerce and the Administrator of the Small Business Administration each is authorized and directed (1) to complete the study, authorized and directed to be made by section 209(a) of the Postal Rate Increase Act, 1958 (72 Stat. 142), of the increases in the rates of postage in third-class bulk mail matter provided for by the amendments made by section 205(3) (A) and (B) of such Act, in order to determine the effect of such increases on small business enterprises and on the users of the mails and the national economy generally and (2) to submit to the Senate and the House of Representatives on or before March 1, 1963, a separate report of the results of such completed study together with such recommendations as may be necessary and appropriate. Each such study and report shall include, among other matters, consideration of the impact on small business enterprises, on the users of the mails,

and on the national economy generally of the final increases provided for by the amendments made by such section 205 (3) (A) and (B) in the rates of postage in such third-class bulk mail matter from and after the time when such final increases became effective.

EFFECTIVE DATES

SEC. ~~11~~ *13.* Except as otherwise provided in this Act, the provisions of this Act shall become effective ~~as follows:~~ *on January 1, 1962.*

~~(1) Sections 1, 2, 6, 8(a), 9, 10, and this section shall become effective on the date of enactment of this Act.~~

~~(2) Sections 3 and 4, and the rate adjustments provided for individual pieces by section 8(b), shall become effective on October 1, 1961.~~

~~(3) Sections 5 and 7, and the rate adjustments (other than the rate adjustments for individual pieces) provided by section 8(b), shall become effective on January 1, 1962.~~

Union Calendar No. 497

87TH CONGRESS
1ST SESSION

H. R. 7927

[Report No. 1155]

A BILL

To adjust postal rates, and for other purposes.

By Mr. HENDERSON

JUNE 29, 1961

Referred to the Committee on Post Office and Civil Service

SEPTEMBER 7, 1961

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited).

Issued September 15, 1961
For actions of September 14, 1961
87th-1st, No. 161

CONTENTS

Appropriations..2,16,19,36
Civil defense.....43
Conservation.....24
Delaware River.....13
Education.....11,21
Employment.....40
Farm labor.....39
Farm program.....23
Farm tenancy.....29
Federal aid.....38
Fish flour.....6
Fisheries.....45
Food.....7
Food for peace.....20,27
Foreign aid.....19
Foreign trade...4,15,25,44
Forestry.....32
Health benefits.....9
Legislative program...8,22
Military construction...16
Military training.....40
Milk sanitation.....28
Monopolies.....30
Peace Corps.....1
Personnel.....17,33,42
Pesticides.....26
Postal rates.....5
Property.....34
Recreation.....31
Research.....29,32
Retirement.....17
River basins.....13
Steamship conferences...12
Supergrades.....42
Tariff.....4
Television.....10
Tobacco.....35
Transportation....12,41,46
Water compact..... .37
Wetlands.....3
Wheat.....14

HIGHLIGHTS: House passed Peace Corps bill. Senate committee reported Delaware River Basin compact bill.

HOUSE

1. PEACE CORPS. By a vote of 287 to 97, passed with amendments H. R. 7500, to establish the Peace Corps on a permanent basis. pp. 18311-55, 18374

2. APPROPRIATIONS. Conferees were appointed on H. R. 8072, the D. C. appropriation bill. Senate conferees have already been appointed. p. 18356

3. WETLANDS. Received the conference report on H. R. 7391, to promote the conservation of migratory waterfowl by authorizing the Interior Department to acquire wetlands and other essential waterfowl habitat (H. Rept. 1184). p. 18356

4. FOREIGN TRADE. The Interstate and Foreign Commerce Committee reported with amendments H. R. 8465, to prohibit the shipment in interstate or foreign commerce of articles imported from Cuba (H. Rept. 1182). p. 18397

The Ways and Means Committee voted to report (but did not actually report) H. R. 9189, to amend the Tariff Act of 1930 and certain related laws to provide for the restatement of the tariff classification provisions, and (with amendments) H. R. 5193, to impose import taxes on led and zinc. p. D854

Several Representatives discussed the escape clause provision of the Trade Agreements Act. pp. 18386-90

5. POSTAL RATES. The Rules Committee reported a resolution for the consideration of H. R. 7927, to adjust postal rates. p. 18397

6. FISH FLOUR. Rep. Pike discussed the use of fish flour, saying, "Let us untie the hands of American industry and reap the bountiful harvest of the sea for the benefit of the hungry of the world." pp. 18390-1

7. FOOD. Received from the Comptroller General a report on the review of enforcement and certification activities of the Food and Drug Administration. p. 18396

8. LEGISLATIVE PROGRAM. Rep. McCormack inserted a statement, "Status of Kennedy Legislative Program." p. 18360

9. HEALTH BENEFITS. Rep. Lesinski inserted an article about the Blue Cross program available to Federal employees under the Federal Employees Health Benefit Act. p. 18360

10. TELEVISION. Rep. Stratton discussed the effect of the proposed elimination of certain VHF channels on rural areas, and inserted an article, "TV Switch to VHF Would Hurt Area." pp. 18377-8

11. EDUCATION. Rep. Wilson, Ind., inserted an article, "School Bill Worries President." pp. 18361-2

SENATE

12. TRANSPORTATION. Passed with amendments H. R. 6775, to extend the authority for dual rate agreements by steamship conferences (pp. 18227-54). Conferees were appointed (p. 18254).

Agreed to the following amendments:

By Sen. Kefauver, to strike out Sec. 1 of the bill which would have amended the third paragraph of Sec. 14 of the Shipping Act of 1916 to insert the word "unjustly" before the word "discriminating" so as to conform that section to all other portions of the Shipping Act. pp. 18227

By Sen. Kefauver, to extend the right to petition against unreasonable rates to municipalities which operate ports and port authorities. pp. 18229-30

By Sen. Kefauver, to provide that any contract, amendment, or modification of any contract not permitted by the Federal Maritime Commission shall be unlawful, and contracts, amendments, and modifications shall be lawful only when and as long as permitted by the Commission. pp. 18228-9

By Sen. Kefauver, to provide that the Federal Maritime Commission shall disapprove any conference rate, fare, or charge which after hearing it finds to be so unreasonably high or low as to be detrimental to the commerce of the U. S. pp. 18248-9

By Sen. Kefauver, to strike out Sec. 6 of the bill which would have permitted carriers to solicit information regarding the activities of shippers in order to enforce their dual rate agreements. pp. 18249-50

By Sen. Schoeppel, to modify the bulk cargo provisions so as to give the Commission more discretion in determining whether or not dual-rate contracts should apply to less than shipload amounts of liquid bulk cargo which are not chemicals. p. 18250

Rejected the following amendments:

By Sen. Kefauver, 28 to 54, to strike out a phrase providing that agreements shall not be approved between conferences of carriers serving

87TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
1st Session } { No. 1189

CONSIDERATION OF H.R. 7927

SEPTEMBER 14, 1961.—Referred to the House Calendar and ordered to be printed

Mr. O'NEILL, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 464]

The Committee on Rules, having had under consideration House Resolution 464, report the same to the House with the recommendation that the resolution do pass.

House Calendar No. 167

87TH CONGRESS
1ST SESSION

H. RES. 464

[Report No. 1189]

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 14, 1961

Mr. O'NEILL, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

---

RESOLUTION

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7927) to adjust postal rates, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Post Office and Civil Service, the bill shall be considered as having been read for amendment. It shall be in order to consider without the intervention of any

point of order the amendments recommended by the Committee on Post Office and Civil Service now printed in the bill. No other amendments to the bill or the committee amendments shall be in order except amendments offered by the direction of the Committee on Post Office and Civil Service, but such amendments shall not be subject to amendment. At the conclusion of such consideration, the Committee shall rise and report the bill to the House, with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

House Calendar No. 167

87TH CONGRESS
1ST SESSION

H. RES. 464

[Report No. 1189]

RESOLUTION

Providing for the consideration of H.R. 7927, a bill to adjust postal rates, and for other purposes.

By Mr. O'NEILL

SEPTEMBER 14, 1961

Referred to the House Calendar and ordered to be printed

Increases by 419 the number of positions in grades GS-18, GS-17, and GS-16 which will be available to the Civil Service Commission for distribution to the various departments and agencies, of which 100 are to be held in reserve for use only upon determination by the President of their initial need. Provides for an increase of 29 positions in GS-18, 102 in GS-17, and 188 in GS-16.

Increases by 259 the number of Public Law 313 positions ($12,500 to $19,000) the heads of departments and agencies are authorized to establish, including 3 (from 15 to 18) for this department, 3 (from 5 to 8) for Interior, 3 (from 10 to 13) for HEW, and 3 (from 25 to 29) for Commerce.

The Armed Services Committee reported with amendments H. R. 8765, to amend and clarify the reemployment provisions of the Universal Military Training and Services Act (S. Rept. 1070). p. 18522

1. EDUCATION. The Labor and Public Welfare Committee reported with amendments S. 1241, to authorize Federal assistance to institutions of higher education in financing the construction and improvement of facilities (S. Rept. 1072). p. 18522

2. MINERALS. Passed without amendment H. R. 2924, to repeal an act extending the time in which to file claims and institute adverse suits against certain minera entries in Alaska. This bill will now be sent to the President. p. 18510

The Interior and Insular Affairs Committee submitted a supplemental report on S. 1747, to stabilize the mining of lead and zinc in the U. S. (S. Rept. 1073). p. 18522

3. FOOD DISTRIBUTION. Sen. Bennett referred to the "fantastic increase in the number of people getting free food from the Federal Government," stated that the "laxness of the agencies administering this program and the willingness of the administration to hand out commodities on a grandiose scale without regard to need, are a national disgrace," and inserted an article on this matter. pp. 18450-2

4. WHEAT. The names of Sens. Yarborough and Jackson were added as cosponsors of S. 2535, to amend the Agricultural Adjustment Act of 1938 so as to establish a marketing program for wheat. p. 18402

5. TRANSPORTATION. Sen. Morton was excused from serving as a conferee on H. R. 6775, to authorize dual rates for steamship conferences. p. 18402

6. FOOD AND DRUG. Received from GAO a report on the review of the enforcement and certification activities of the Food and Drug Administration. p. 18400

HOUSE - SEPT. 15

7. APPROPRIATIONS. By a vote of 218 to 15, passed with amendments H. R. 9169, the supplemental appropriation bill. On a point of order by Rep. Thomas, deleted from the bill $168,000,000 for the Area Redevelopment Administration. pp. 18531-45

Conferees were appointed on H. R. 9033, the foreign aid appropriation bill. p. 18558

Conferees were appointed on H. R. 8302, the military construction appropriation bill. Senate conferees have already been appointed. p. 18573

Received the conference report on H. R. 8072, the D. C. appropriation bill (H. Rept. 1195). pp. 18592-3

Rep. Cannon inserted a table showing the status of all appropriation bills in this session of Congress. pp. 18573-5

18. FARM LABOR. Received the conference report on H. R. 2010, to extend the Mexican farm labor program (H. Rept. 1198) (pp. 18577-8). Earlier, by a vote of 243 to 135, agreed to send this bill to conference (pp. 18552-7).

19. CULTURAL EXCHANGE. Received the conference report on H. R. 8666, to provide for the improvement and strengthening of the international relations of the United States by promoting better mutual understanding among the peoples of the world through educational and cultural exchanges (H. Rept. 1197). pp. 18558-63

20. FOREIGN TRADE. Passed as reported H. R. 8465, to prohibit the shipment in interstate or foreign commerce of articles imported into the United States from Cuba. pp. 18527-31

21. SMALL BUSINESS. Agreed to the conference report on H. R. 8762, to amend the Small Business Act to increase the amount available for regular business loans thereunder (pp. 18546-8). This bill will now be sent to the President.

22. POSTAL RATES. Began debate on H. R. 7927, to adjust postal rates. pp. 18564-73

23. LANDS. Received from the Interior Department a proposed bill "to repeal obsolete laws relating to military bounty land warrants and to provide for cancellation of recorded warrants"; to Interior and Insular Affairs Committee. p. 18594

24. POULTRY. Rep. Landrum spoke in favor of poultry legislation and inserted a proposed amendment to Federal legislation. pp. 18575-7

25. LEGISLATIVE ACCOMPLISHMENTS. Rep. Albert inserted a statement, "Summation of Legislative Accomplishments." pp. 18586-7

HOUSE - SEPT. 16

26. APPROPRIATIONS. Both Houses agreed to the conference report on H. R. 8072, the D. C. appropriation bill, and acted on amendments in disagreement. This bill will now be sent to the President. pp. 18600-1, 18660-1

27. FARM LABOR. Agreed to the conference report on H. R. 2010, to extend the Mexican farm labor program. pp. 18601-7

28. CULTURAL EXCHANGE. Agreed to the conference report on H. R. 8666, to provide for the improvement and strengthening of the international relations of the U. S. by promoting better mutual understanding among the peoples of the world through educational and cultural exchanges (pp. 18600-1). This bill will now be sent to the President.

29. PEACE CORPS. Rep. James C. Davis objected to sending H. R. 7500, to provide for a Peace Corps, to conference. p. 18607

30. COMPACTS. Agreed to the Senate amendments to H. J. Res. 225, to grant the consent of Congress to the Delaware River Basin compact and to enter into such compact on behalf of the U. S. This bill will now be sent to the President. pp. 18607-17

31. PERSONNEL. As reported (see Digest 159), H. R. 7377, to increase the limitation on the number of supergrade and high-level scientific positions, includes provisions as follows:

diem for their work. The Senate amendment authorized compensation of $50 per diem for the members while performing their services if they were not otherwise in the employ of the U.S. Government. The managers on the part of the House recognized that most of the members of these several boards would be drawn from relatively low paid professions. Accordingly, they accepted the language of the Senate amendment.

AMENDMENTS TO THE IMMIGRATION AND NATIONALITY ACT (SEC. 109)

Section 109 of the House bill contained language amending the Immigration and Nationality Act, as amended. It incorporated into basic law a new nonimmigrant visa, category (J), to serve solely the purposes of the Mutual Educational and Cultural Exchange Act of 1961. It thus reserves the (F) visa for students other than exchange students. It also reenacted and amplified Public Law 555 of the 84th Congress but contained one modification, namely, the requirement of the finding by the Secretary of State that the two years' residence abroad of an exchange alien, if not occurring in the country from which he came to the United States, is in accord with the basic purpose of the exchange program. The Senate amendment contained language similar in intent but different in wording. The Senate conferees accepted the House language with amendments.

In order to permit individuals coming to the United States on public or private programs other than those authorized by this act but which further the purposes of this act, it was necessary to broaden the new category (J) visa to include such individuals. To make available the services of exchangees who possess talents desired by our universities, foundations, and other institutions, the language of the House bill was modified to permit the waiver of the foreign residence requirement on the request of an interested United States Government agency. The language was also modified to permit an interested United States Government agency to request a waiver in other especial circumstances. Its terms were extended to include those who acquire exchange visitors' status under the Educational Exchange Act of 1948.

The House accepted the language of the Senate amendment which permits the alien spouse and minor children to have an (F) visa if the principal entered the United States on an (F) visa. The effect of this will be to permit an identical time period during which the family may stay in the United States.

In accepting the language for a new category (J) visa it is the intention of the conferees that the language will not preclude employment by the principal or his spouse who entered under a (J) visa when such employment is not inconsistent with the program.

AMENDMENTS TO INTERNAL REVENUE CODE (SEC. 110)

Section 110 of the Senate amendment made certain minor changes in the Internal Revenue Code of 1954, as amended, to relieve foreign students, teachers, and scholars of certain requirements which have the effect of reducing the value of their stipends while they are in this country. The House bill contained no comparable provision. The managers on the part of the House accepted the language of the Senate amendment upon the understanding that the loss of revenue resulting from changes made by section 110 are likely to be negligible.

Section 110(a) amends section 117(b)(2)(A) of the code, which relates to the conditions for exclusion of scholarship and fellowship grants from gross income in the case of individuals (nonresident and resident aliens, as well as American citizens) who are not candidates for degrees. If the individual is enrolled at an educational institution but is not a candidate for a degree, amounts received as fellowships and scholarships are exempt up to $300 a month, not to exceed 36 months, provided that the grant comes from the U.S. Government, a local government unit, or a tax-exempt organization. Section 110(a) modifies this provision to include foreign governments, international organizations, and binational foundations or commissions "created or continued pursuant to the Mutual Educational and Cultural Exchange Act of 1961."

Section 110(b) amends section 871 of the code, relating to the tax rate on nonresident alien individuals. In place of the current flat 30-percent rate, the amendment brings all alien students and exchange visitors (i.e., those in the United States as nonimmigrants under sec. 101(a)(15) (F) or (J) of the Immigration Act) under the lower regular graduated tax rates applicable to nonresident aliens in the United States who are engaged in trade or business.

Section 110(c) amends section 872(b) of the code, relating to exclusions from gross income of nonresident alien individuals. Such individuals now are taxable only on income "from sources within the United States." However, the Internal Revenue Service ruled that payments by a foreign employer to a person in the United States under the exchange program are income from sources within the United States, even if made in foreign currency to his dependents abroad. This ruling has little effect upon our revenues and causes considerable irritation and criticism. Section 110(c) would exempt such payments from U.S. tax while the alien under (F) or (J) is temporarily in this country.

Section 110(d) amends sections 1441 (a), (b), and (c) of the code, relating to tax withholding on nonresident aliens. As noted above, such individuals are subject to withholding of tax at the special rate of 30 percent. The 30 percent applies to the gross amount received. This often results in overwithholding and works a hardship on the individual, especially since the dollar funds are badly needed for expenses while he is here. The payment of a refund after he returns home does not provide the money at the time when the need is greatest, and results in sending dollars out of the United States rather than keeping them here. Section 110(d) permits all students and exchange visitors to be exempted from the 30-percent withholding rate on compensation for personal services and, in conjunction with section 110(g), subjects them to the 18-percent rate applied to resident aliens and American citizens. Section 110(d) also reduces the withholding from 30 to 18 percent in the case of amounts which are received as scholarships or fellowships by foreign students and exchange visitors who are not candidates for degrees and which exceed the amounts that are excluded from gross income under section 117.

Section 110(e) amends section 3121(b) of the Internal Revenue Code—relating to the definition of employment for purposes of the Federal Insurance Contributions Act (FICA)—and section 210(a) of the Social Security Act. Nonresident aliens are now subject to the 3-percent FICA, or social security tax. Since they are temporarily in the United States, they scarcely have any expectation of realizing benefits from such a taxpayment. Section 110(e) exempts foreign students and exchange visitors from payment of FICA tax on amounts earned in performing services to carry out the purposes for which they were admitted, such as studying, teaching, or conducting research. If they are employed for other purposes, consequent payments would not be exempt. Finally, the Social Security Act is amended specifically to deny social security benefits to those individuals, except insofar as they have contributed consequent to employment for purposes other than those governing their admission to the United States.

Section 110(f) amends section 3306(c) of the code, relating to the definition of employment for purposes of the Federal Unemployment Tax Act. This amendment would relieve employers of the obligation to pay Federal unemployment taxes on the same services that are exempted from FICA tax by the preceding section 110(e). As in the case of social security, foreign students, and exchange visitors could rarely, if ever, be in a position to benefit from unemployment compensation coverage.

Section 110(g) amends sections 3401(a)(6) and 3402(f) of the code, having to do with definition of wages for withholding, and exemptions for the latter purpose. As noted above, this subsection, in conjunction with section 110(d), removes compensation paid to foreign students and exchange visitors from the 30-percent withholding rate and subjects it to the general 18-percent rate. Section 110(g) also makes it explicit that the nonresident aliens concerned will be entitled to only one withholding exemption.

Section 110(h) specifies with as much clarity and detail as possible the effective dates of the foregoing amendments to the Internal Revenue Code and the Social Security Act. In each case, the effective date is December 31, 1961.

WAYNE L. HAYS,
LEONARD FARBSTEIN,
JOHN S. MONAGAN,
E. ROSS ADAIR,
HORACE SEELY-BROWN, Jr.,
Managers on the Part of the House.

COAST GUARD OCEANOGRAPHIC RESEARCH

Mr. GEORGE P. MILLER submitted the following conference report and statement on the bill (H.R. 6845) to amend title 14 of the United States Code to provide for an expansion of the functions of the Coast Guard:

CONFERENCE REPORT (H. REPT. No. 1194)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6845) to amend title 14 of the United States Code to provide for an expansion of the functions of the Coast Guard, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

'That title 14 of the United States Code, relating to the Coast Guard, is amended by inserting in chapter 1, section 2, after the words 'rescue facilities for the promotion of safety on and over the high seas and waters subject to the jurisdiction of the United States;' and before the words 'and shall maintain a state of readiness' the words: 'shall engage in oceanographic research on the high seas and in waters subject to the jurisdiction of the United States;' and is further amended by inserting at the end of chapter 5 the following new section:

"'§ 94. Oceanographic research

"'The Coast Guard shall conduct such oceanographic research, use such equipment or instruments, and collect and analyze such oceanographic data, in cooperation with other agencies of the Government, or not, as may be in the national interest.'

"SEC. 2. The analysis of chapter 5 of title 14 of the United States Code is amended by

inserting at the end thereof the following: "'94. Oceanographic research.'"

And the Senate agree to the same.

GEORGE P. MILLER,
JOHN D. DINGELL,
ALTON LENNON,
THOMAS M. PELLY,
GORDON L. MCDONOUGH,
Managers on the Part of the House.

WARREN G. MAGNUSON,
CLAIR ENGLE,
JOHN M. BUTLER,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6845) to amend title 14 of the United States Code to provide for an expansion of the functions of the Coast Guard, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment strikes out all of the House bill after the enacting clause and inserts a substitute. The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for both the House bill and the Senate amendment. The differences between the House bill and the substitute agreed to in conference are noted as follows:

The Senate amendment added a new section 94 to chapter 5 of title 14 of the United States Code. This new section would authorize the Coast Guard to conduct oceanographic research using necessary equipment or instruments and to collect and analyze oceanographic data, in cooperation with agencies of the Government, or not, as the Secretary of the department in which the Coast Guard is operating determines to be in the national interest.

The House bill contained no comparable provision.

The conference substitute would require the Coast Guard to conduct such oceanographic research, to use such equipment and instruments, and to collect and analyze such oceanographic data, in cooperation with other agencies of the Government, or not, as may be in the national interest.

GEORGE P. MILLER,
JOHN D. DINGELL,
ALTON LENNON,
THOMAS M. PELLY,
GORDON L. MCDONOUGH,
Managers on the Part of the House.

POSTAGE REVISION ACT OF 1961

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 464 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7927) to adjust postal rates, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Post Office and Civil Service, the bill shall be considered as having been read for amendment. It shall be in order to consider without the intervention of any point of order the amendments recommended by the Committee on Post Office and Civil Service now printed in the bill. No other amendments to the bill or the committee amendments shall be in order except amendments offered by the direction of the Committee on Post Office and Civil Service, but such amendments shall not be subject to amendment. At the conclusion of such consideration, the Committee shall rise and report the bill to the House, with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN] and at this time I yield myself such time as I may consume.

Mr. Speaker, House Resolution 464 provides for the consideration of H.R. 7927, a bill to adjust postal rates, and for other purposes. The resolution provides for a closed rule, waiving points of order, with 2 hours of general debate.

The American people, in the light of the innumerable critical national and international problems which we face today, cannot afford a postal deficit.

H.R. 7927 would increase postage revenues by approximately $520 million when all of the rate adjustments have been placed in effect. The bill is as important a part of the fiscal program of the Government, and of the measures being taken by National, State, and local governments to protect our Nation and the free world, as any reductions in comparable amount which might be made in the cost of nondefense governmental programs.

From the turn of the century to the beginning of World War II the average annual postal deficit was about $33 million—including all subsidies, such as the $75 million annual airline subsidy and the cost of handling penalty mail for other Government departments and franked mail—most of which now have been removed from the postal budget. Since World War II the annual postal deficit increased by leaps and bounds until it reached the previous high of $891 million in fiscal year 1958. The cumulative deficit from 1946 to date is over $7.5 billion—all at the expense of the taxpayers.

In a partially successful effort to reduce the deficit, the Congress enacted the Postal Rate Increase Act of 1958 to increase postal revenues by approximately $550 million. However, that increase was counteracted within 2 years by the approval of postal employee salary raises in 1958 and 1960. In addition, costs of transportation—second only to payroll in magnitude as a postal cost—and all other services, supplies, and equipment have continued a sharp upward inflationary spiral which shows no signs of abating. These factors, combined together, have brought our postal system to the most dangerous fiscal condition in its history.

When all of the rate increases are placed in effect the increased revenues, coupled with the improved postal policy incorporated therein, will place the Postal Establishment on a pay-as-you-go basis for the first time in many years.

Mr. Speaker, I urge the adoption of House Resolution 464.

Mr. SISK. Mr. Speaker, I yield 10 minutes to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Speaker, I find myself in somewhat of a dilemma. I am for this bill; but I am against the rule. I have always supported this type of legislation. I do not think we can afford to run the Post Office Department at a deficit to the tune of some $850 million, which is the estimate for this current year, while we are engaged in deficit spending generally. We ought to do something about it.

Mr. Speaker, the distinguished Chairman of the Appropriations Committee, the gentleman from Missouri [Mr. CANNON] stood in the well of this House not too long ago and stated that we are going into the red in excess of $1 million an hour. I do not mean we are spending that much money. That is not what he meant. But we are spending more than we are taking in, to the tune of $1 million an hour. At a time like this, why should we not pass a bill that would cut down that deficit? I do not like all the provisions of this bill. I do not think, at least in my judgment, the burden is placed in the proper proportion.

For instance, the bill raises the rate on postcards from 3 to 4 cents; on first-class mail from 4 to 5 cents; and on airmail from 7 to 8 cents, while the so-called junk mail that clutters up the Department and contributes heavily to the deficit does not pay its proportionate share.

We have a situation here where we are bringing in, for the first time, a closed rule on this legislation. That is a peculiar situation. I am traditionally opposed to closed rules. I do not vote for closed rules. I am a true liberal. I believe in the House having an opportunity to work its will. And yet we have a situation where at the beginning of this session we had a long hassle about giving the House the opportunity to work its will by reforming the Committee on Rules. I was opposed to that, as a true liberal, because I did not want to see the Rules Committee taken out of the status of an independent committee and placed under the control of anybody. So we had a long hassle about it.

I could remember then, as you can remember now, that there was a time when the Rules Committee was dominated by one man, the late Speaker Cannon, who was referred to as Czar Cannon. He was the Rules Committee. But the liberals of that day under the leadership of a truly great liberal, Mr. Norris, who afterward left the House and went over to the Senate, led the fight and set up the Rules Committee as an independent body. But the liberals of another day, this day, sought to undo that, and they did and re-formed and—you may not like the word—stacked that committee.

On yesterday—this is no secret—I am not telling anything out of school—when this bill was before the Committee on Rules, a closed rule was sought. As usual, I vigorously opposed it. And I might point out that during my 20-odd years as a member of the Rules Committee, we have reported several rules making postal rate increases. They have all been open rules.

I think the record shows that I always oppose closed rules on the theory that I have already mentioned, plus the fact that I think this House is just as capable of legislating and of assuming its share of the responsibility as is the other body. So to my, I must confess, somewhat surprise, the committee went along with my version of the type of rule that should be reported. I hope you will not take that as being egotistical, but at any rate we voted out an open rule for the consideration of this bill.

But something happened, and the committee was called back into session. As we have seen so many times, having marched up the hill we proceeded back down again. Now we are confronted with a closed rule, a rule under which, if you adopt it, you are going to vote for this bill or vote against it, and there will be not a thing you can do about it.

You cannot go home and tell your people who are so concerned about all of this increase on these first-class rates and who are so tired of this other subsidized stuff going through the mail that you were helpless because of the closed rule. You cannot hide behind the rule and state that you did not have a chance to amend it, because you will have a chance to amend it if you exercise your right. And if my liberal friends will live up to and practice what they preach, and vote down the previous question we can have an open rule, and you can have an opportunity to amend this bill if you want to.

Now I get back to where I started. I am for this legislation. I am for the objective of this legislation. I think this Congress should assume its responsibility and raise these rates. How many of you voted for the last increase in the postal employees bill that brought about and aggravated this situation where we are now faced with an excess of a $800 million annual deficit in the operation of the Post Office? How many of you next year, when we come back here and when a new postal pay increase bill is brought up, are going to vote against that? Are you going to deny now the request of the President for an increase in postal rates, and then come back next year and vote a postal employees' increase?

It is just that simple. The matter is in your hands. Do what you see fit with it.

Mr. BROWN. Mr. Speaker, I yield myself 10 minutes.

(Mr. BROWN asked and was given permission to revise and extend his remarks.)

Mr. BROWN. Mr. Speaker, as the gentleman from Mississippi has explained, this is a closed rule providing for 2 hours of general debate on the bill. It waives all points of order and, as a closed rule, permits the offering or consideration of no amendments except committee amendments. In other words, we are back where we started a long while ago.

I am happy that the gentleman from Mississippi, who preceded me, mentioned the opposition that has arisen in the Rules Committee, and elsewhere, to the continual adoption of gag rules.

Many of you, I am sure, are aware of the fact that I have stood in the well of this House and opposed gag rules many, many times in the past, just as I am opposed to this particular gag rule. I have opposed gag rules on tax bills as well as gag rules on other types of legislation.

So we are right back where we started again. The question being before the House as to whether or not the House of Representatives and its Members have the capacity to do a bit of thinking and a bit of legislating for themselves, or whether once more we should gag ourselves by adopting this type of rule so we will not have the same rights and the same privileges which are awarded to the Members of another body where, once this bill completes its passage through this House, if it is passed, its Members can offer any amendments they wish, often regardless of whether they are germane or not, and can debate and discuss each amendment just as long as they wish—or may desire to talk—and sometimes that is a long, long time.

Yes, this is another gag rule and, yet, we were told early last winter, or soon after we met here for this new session of the Congress, that they were going to rearrange the membership of our Committee on Rules by increasing the membership of the committee. In other words, frankly, they were going to stack the Committee on Rules so that it might be easily controlled by the administration or by the leadership of the House, rather than to continue as an independent body—a body created to be independent—all for the great purpose of permitting this House of Representatives to work its will, of course. The charge was made then, despite denials by some of us, that the Committee on Rules, as constituted in the past, had prevented the membership of this body from working its will on legislation; had acted arbitrarily; had killed bills; had granted bad rules, and all this and that. Somehow or other, if I may speak in the parlance of the day, there were enough persons mislead in this House that the resolution to pack the Committee on Rules was adopted and approved by a five-vote margin.

So let us look at the record, because now we are winding up this first session of the 87th Congress. It might be interesting to know just actually what has happened in this great free body which was created, the so-called new Committee on Rules, to give even more freedom and more rights to work your will than you ever enjoyed under that "damnable Rules Committee," as it was constituted in the past.

May I read from the record, because I believe it should be made clear just what has happened in the past and present Rules Committee.

In the entire first session of the 86th Congress the Committee granted five closed rules. That was in the 86th Congress—and the old Committee on Rules. In the second session of the 86th the Rules Committee granted seven closed rules. Five and seven make twelve.

In the first session of this 87th Congress alone, 11 gag rules, or closed rules, have been granted by this great new Rules Committee, this stacked committee, stacked for the alleged purpose of permitting you, the lowly Members of the House of Representatives, to have the opportunity to work your will. Yet, 11 times in this first session, and only 5 times in the first session of the last Congress, were gag rules reported out of the Committee on Rules and brought to the floor of the House—rules saying you must agree to bind yourselves to not even offer and consider any amendments but must take this legislation as it is handed to you.

We have reached the place now where we not only have gag rules on tax legislation, on social security legislation, on unemployment legislation, but also on postal legislation.

Let us look at the record again. In the 86th Congress, during the entire two sessions of that Congress, the Committee on Rules as then constituted only denied or deferred action on 10 bills altogether. What is the situation now? In this first session of the 87th Congress 10 rules have been denied, the same as in the entire 86th Congress in both sessions. In this first session of the 87th Congress, believe it or not, this newly constituted Committee on Rules, this free and untrammeled Committee on Rules, which permits you all to work your will, and to have an opportunity to vote upon important legislation, and not to hold up or block legislation like the old Committee on Rules was accused of doing—believe it or not—has denied or tabled 53 different bills or resolutions most of which came out of legislative committees before they came to the Committee on Rules. And then you talk about that being liberal; you talk about freeing your hands and striking off the shackles, if you please, that the old arbitrary Committee on Rules had placed upon you. Oh, yes, "We must pack the Committee on Rules." And, it was packed, not to actually permit the Members of this House to work their will, but in order that the administration and the leadership of this House, if you please, could work its will and decide what you can vote on, and what you cannot vote on. You can go to the Committee on Rules and check the record and see the bills themselves, and find out just what has happened and what has not happened, not only in this session of the Congress under this new, liberal Committee on Rules that we now have, after it was packed and stacked, but also what has happened in the past. The record speaks for itself, and that is the reason I am taking this time to spread it on the RECORD, so the House and the people of America may know just exactly what has happened, and what has happened as the result of the action taken here, in late January or early February, by a margin of 5 votes, after every kind of pressure, political and otherwise, was put on the Members of this House to agree to the stacking and/or the packing of the Committee on Rules.

Mr. SISK. Mr. Speaker, will the gentleman yield?

Mr. BROWN. I yield to the gentleman from California.

Mr. SISK. I appreciate the statement the distinguished gentleman is making and, of course, some of us may disagree on some of these things. But, I would like to ask the gentleman one question with reference to the number of bills and resolutions which the gentleman says that the Committee on Rules this session has either voted down or tabled. Is it not a fact, I may say to my colleague, that a substantial percentage of this 53 were resolutions over which the Committee on Rules had original jurisdiction?

Mr. BROWN. As I said, some were and some were not—yes, of course, we have some resolutions that we have original jurisdiction over, but whether we have had original jurisdiction or secondary jurisdiction, the facts still speak for themselves. These resolutions were all tabled, they were denied rules, and they were killed, just as I said.

Now I wish to talk about the bill for just a moment or two. I am a newspaper publisher. I am also interested in a number of printing establishments. That means, of course, that I am personally interested in both second-class mail rates and third-class mail rates. So, I think I must do this. Because this bill is, in my opinion, rather beneficial to those particular classes of mail, if I vote for the bill, I will be accused of voting in my own monetary interest; if I vote against the bill, I will be accused of demagoguery, so, in all probability, as I have many times in the past when this same kind of legislation has come before the House, do what the rules of the House require: Because of my personal interest I shall not vote either "yea" or "nay," but shall vote "present."

However, I do want to say this about this legislation. If you will study this bill, you will find it increases first-class mail rates by 25 percent. It increases third-class mail rates and second-class mail rates by 18 percent. It just happens that the only class of mail which has been paying its own way, or virtually paying its own way, has been first-class mail. So we are going to increase the cost to the users of first-class mail in this bill by $408 million a year, according to the committee report. This, of course, is nothing more nor less—call it whatever you please, disguise it how you will, perfume it, tint it, or color it if you desire—is simply another tax increase, mostly on the little people of this country, all done in the great spirit of liberality, so we are going to meet the deficits, not by soaking the rich, but by soaking the little people, the first-class mail users. Some, of course, are business concerns, but most Americans buy first-class postage; not all of us are in the publishing business or the printing business, by the way.

It is interesting to see how some of our friends vote on these matters when they come before us. Yes, it is a 25-percent increase on the first-class mail users.

The question arises in connection with this legislation, of course, as it always has when we have had discussions on moot questions, whether or not we should consider the Post Office Department a business operation which should pay its own way, or a service establishment, a part of the cost of operating which should be met by general taxation. Let me say I have argued about this for a long time, in the Hoover Commission, and elsewhere, that if the Post Office Department is to be considered a business operation and must be self-financing, in spite of the fact it serves more people than any other department of the Government.

Why do not we also make the Department of Agriculture self-supporting, or make the Department of Labor a Department that takes care of the working people of the country self-supporting, or the Department of Commerce which looks after the welfare of business and industry? Why not make any and all these departments of the Government business operations and require them to support themselves? There is, of course, such a thing as fiscal responsibility.

Somebody questioned a minute ago whether this bill is an administration measure. Undoubtedly while it is not the same bill the administration sent to the Congress originally, this bill is now an administration measure. All you have to do to realize that is to go out in the halls and corridors, and notice the great number of officials from the Post Office Department—you never saw so many of them around Capitol Hill before, all asking us to support this legislation, asking us to pass it as it is. So, really, this is an administration bill and it is also, to be fair and frank about it, another type of administration tax bill. I feel that it should be considered in that light.

The SPEAKER pro tempore. The time of the gentleman from Ohio has expired.

Mr. SISK. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. CORBETT].

(Mr. CORBETT asked and was given permission to revise and extend his remarks.)

Mr. CORBETT. Mr. Speaker, the two gentlemen who have just preceded me are violently and intelligently opposed to what they call gag rules. Ordinarily they would find me in full agreement with them. But I learned in geometry in high school that things equal to the same thing are equal to each other. We might as well know here and now that if this postal rate increase bill is to be considered under an open rule it is dead.

We are confronted with a situation in which the committee after months of arduous hearings sat in executive session for 11 2-hour periods and we only reached agreement finally after Members from both Houses of Congress, members of the administration, users of the mail, had all been consulted.

Mr. Speaker, I do not know of a single person who is entirely happy about this bill. It is definitely a compromise on all fronts. But it does do this much, and I say this on behalf of our committee: In our area of responsibility we have attempted to do two things—One, to bring fiscal sanity to the Post Office budget and at the same time recognize public service features of the Post Office Department and set aside a certain amount of the budget to be considered for the purpose of public service policies inaugurated by the Congress.

I want to say that from many points of view this is an excellent bill, and you will find this so when you consider the whole problem of rates over a period of time. If we look at the rate situation for the last 10 years, we will find that third-class rates have been increased since 1951 by 150 percent; we will find that second-class rates, when this bill is adopted, have been increased by 99 percent; we will find that first-class rates have been increased by 67 percent. So, viewed over a 10-year period we have a very well balanced situation. I will grant anyone that first-class maill will be paying more than its allocated cost if this bill is passed. But I say that is true of every country in the civilized world. The post office is set up for the purpose of carrying first-class mail. These appendix services were never meant to be fully charged for, with the exception of parcel post, where the law says it must pay its approximate cost.

We hear a lot of talk around here about liberals. I believe the true conservatives should recognize that this bill will yield some $520 million, possibly another $80 million through an Interstate Commerce Commission decision, totaling some $600 million which will be available. This with $300 million marked for public service.

I submit to you under these circumstances that for the first time since World War II we will be able to go to the public and say: "There is no deficit in the Post Office Department."

With this committee having worked for all these hours, and we have to get agreement with the other body, how in the world can we come in here and consider amendments and finish this bill before Christmas, if we are going to consider amendments to every line of it.

I close as I started: things equal to the same thing are equal to each other. If we want to maintain fiscal responsibility in this area, we have got to vote for a closed rule, whether we like it or not.

Mr. JAMES C. DAVIS. Mr. Speaker, will the gentleman yield?

Mr. CORBETT. I yield to the gentleman from Georgia.

Mr. JAMES C. DAVIS. The gentleman from Pennsylvania has made a very splendid statement regarding this bill. I would like to say that I concur in his statement and join him in urging the adoption of the rule.

Mr. CORBETT. I thank the distinguished gentleman very much.

Mr. ABERNETHY. Mr. Speaker, will the gentleman yield?

Mr. CORBETT. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. In the forepart of the gentleman's statement he said if we did not adopt the closed rule—in other words, if the rule was opened up—this bill was dead. I do not exactly follow the gentleman. Could the gentleman explain what he means by that? Does the gentleman mean he is afraid that the bill might be so amended, up or

down, that the House would vote against what it has voted for in the form of amendments?

Mr. CORBETT. No. I would like to answer the gentleman from Mississippi in this way. I believe that what we are gagging in this particular case is confusion, delay, and ultimately defeat. The reason I say that is because when we do pass some bill in this body it has got to be—the gentleman knows we are going to adjourn shortly—passed in the other body.

Mr. ABERNETHY. No.

Mr. CORBETT. When we do pass some bill in this body it has got to be reasonably acceptable to the other body, because if we are going to go through a long, lengthy amending process here, they are going to have to do it in the other body.

Mr. ABERNETHY. Has the other body been, by some mysterious person, polled as to what it will do? Does anyone have any information about what the other body will do?

Mr. CORBETT. I am sure someone has attempted that, but I am equally sure that if the information is over an hour old, it might be out of date.

Mr. ABERNETHY. I would think so.

Mr. CORBETT. I can only tell the gentleman that it is my honest conviction, and I am simply stating my belief that if this bill is opened up and if we go through a long amending process, it will kill the bill. I am certain everyone does not agree with my remarks.

Mr. ABERNETHY. The gentleman is evidently assuming that the House would amend the bill and, therefore, the bill as presented to the House does not meet with the approval of the House?

Mr. CORBETT. No. What I am saying is not at all that we would eventually agree, but it would take hours and hours of explanation and debate to defeat the amendments that might be offered.

Mr. ABERNETHY. The gentleman has no objection to going through that, does he?

Mr. CORBETT. Yes.

Mr. AVERY. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. DERWINSKI].

(Mr. DERWINSKI asked and was given permission to revise and extend his remarks.)

Mr. DERWINSKI. Mr. Speaker, the issue here before us today is one of deliberately compounded legislative abuse.

First, in applying this gag rule prohibiting amendments, the House is faced with a take-it-or-leave-it deal which was made behind the scenes by the administration and a handful of Senate and House committee members, as well as the articulate lobbyists for special interests, all to the detriment of the Treasury Department, the taxpayer and, in my opinion, the rights of the Congress.

This postal rate revision before us is totally inadequate and is an empty gesture from the standpoint of fiscal responsibility. May I direct your attention, Mr. Speaker, to the minority view which I presented in the committee report, where I indicated that I was hopeful of offering some practical amendments to make this a true rate revision, and to take a sound step in reducing the postal deficit.

However, Mr. Speaker, contrary to solemn promises made in January of this year that the "liberal" Rules Committee will permit the House to work its will on major issues, we find this gag rule applied and amendments out of order.

I submit that this is a major bill, calling as it does for approximately $52 million in revenue, and failing to call for the additional revenue needed to balance the postal deficit. It is my hope that the House will vote down this rule and that the Rules Committee will be permitted by the leadership to grant us an open rule so that we might show our fiscal responsibility by proposing a practical rate increase, truly eliminating most of the postal deficit, and giving the Bureau of the Budget, the Treasury Department, and the Post Office Department the type of bill they originally asked for.

On Tuesday, April 25, 1961, the Postmaster General, the Honorable J. Edward Day, appeared before our committee in support of the original bill—H.R. 6418—which would have raised $741 million. He was supported in his position by representatives of various employee groups, by the Bureau of the Budget, and the Treasury Department, all maintaining that the original request was needed in order to preserve the fiscal responsibility to which this administration at least publicly, is dedicated.

Frankly, the postal deficit must be eliminated if we are to maintain an effective postal service and improve its facilities in relationship to our ever-growing and changing population. As it now stands, the poor forgotten taxpayer bears the brunt of the postal rate deficit, and this bill before us is not the answer. It is a semifraud, totally inadequate to the real needs of the Post Office Department, and when compounded, as I have indicated by gag rule, proves to me, at least, complete hypocrisy in this administration's attitude on this subject.

Here we have a postal rate bill to terminate the deficit which it does not do. We have, in effect, a sellout to the pressure groups, whereas the general public and the needs of the postal service are brazenly disregarded.

This is bad government; it is bad legislative procedure; it is indefensible, especially as rushed through in the closing days of the session in this roughshod manner. It is definite proof that the pious platitudes of the New Frontier toward even a minimum of fiscally responsible government are obviously false. In the light of increasing defense costs, and the huge budget deficit, the capitulation of the administration and the majority leadership in the Congress on this issue portrays the Treasury Department, the Bureau of the Budget, and the Post Office Department as public liars.

Therefore, Mr. Speaker, for the sake of fiscal responsibility and in order that the House might exercise its independent judgment on this matter, I urge that we reject the rule, that the Rules Committee grant us the necessary open rule, and that we then proceed to write a postal rate bill that will eliminate the basic postal deficit in keeping with the original request of the Postmaster General.

Mr. Speaker, I should like to point out that I am in favor of a postal rate bill, but I am opposed to this rule, because this bill before us is not a postal rate revision necessary to balance the deficit of the Post Office Department. Frankly, it is the biggest farce we have had on the floor of the House this year.

Mr. Speaker, the gentleman from Mississippi [Mr. ABERNETHY] who just had the colloquy with the gentleman from Pennsylvania [Mr. CORBETT], pointed to the particular problem which we have before us. If we follow the procedure of imposing a gag rule whenever someone feels an amendment might be offered that will change a bill, the next thing you know you might just disregard all debate, all amendments, and let committees jam out a bill, put a gag on it from the Rules Committee, and send it over to the other body where they will rubberstamp it. The next thing you know you have the most meaningless Congress you have ever seen.

Mr. Speaker, I would like to tell the gentleman from Mississippi—it has not been said, but it is an absolute fact—that the other body is going to take this bill after we pass it just as it is before us, and they are going to pass it on the floor over there without any hearings. They will also gag their Members. There are not going to be amendments offered to this bill either in the House or in the Senate. I do not think that is good legislative procedure.

Mr. ABERNETHY. If the gentleman will yield, I appreciate the gentleman's remarks. However, I do not want to leave the wrong impression. I think we need to pass some kind of a bill along this line. I am going to vote for this bill. My personal opinion about it is that on some of these lower rates we have not gone far enough. I think until we bring those rates up we have not done our duty in this House and in this Congress. I am going to vote for this one, but I do not think it is enough. If we are going to spend the money, I think we ought to raise it, and this is the only way to do it.

Mr. DERWINSKI. I agree completely with the gentleman. That is the very point I want to make. If you study the hearings before the Post Office Committee you will not find any reference to the bill before you. The testimony was to the bill originally produced by the Postmaster General that would raise $731 million. As a matter of fact, if we pass this watered-down version, since we are not permitted to amend this bill and we will pass a longevity bill that will add $60 million to the Post Office cost and next year we have a postal salary increase, this means when you go back to face your voters in November 1962, you are going to have to explain to them why

you raised the rates on first-class and air mail and still left the Post Office with a three-fourths of a billion dollars deficit.

For that reason we ought to beat this gag rule and come back with an open rule. We ought to give the Postmaster General the sum of money he wants and he needs. We ought to be responsible and not go through this frankly phony procedure.

The rule ought to be defeated. Let us risk amendments. Let us risk debate. Let us be responsible. Let us put through a rate bill that makes some sense. This bill before you does not do that.

As the bill now stands, it is an empty gesture that does not solve the postal deficit. I have referred previously during the debate on the rule to the fact that a behind-the-scene deal between the administration, the majority party House and Senate leaders and certain pressure groups had been worked out to approve this watered-down version in which the brunt of the postal increase falls on the poor unforgotten taxpayers.

Let me repeat the cold dollar and cents situation in regard to this postal rate revision. The latest available figures indicated that the total postal deficit for fiscal 1962 will be $950 million. The bill before us raises $520 million, leaving then, a deficit of $430 million. The Senate has passed and the House is waiting to pass a longevity pay bill which will add $60 million to the postal deficit. In addition, the administration is planning an additional salary increase in 1962 which, if only a 5 percent salary increase, would add over one-fourth of a million dollars to the postal deficit.

Therefore, the net result of this combination of administration and congressional actions will be to perpetuate an annual postal deficit of approximately three-quarters of a billion dollars.

This is complete fiscal irresponsibility and is definite proof that the pious platitudes of the New Frontier toward even a minimum of fiscally responsible government are obviously false.

Incidentally, another factor to be remembered about the bill before us is that it actually was not subject to hearings. Hearings were held on H.R. 6418 which would have raised $741 million. Very brief testimony was taken from the Postmaster General on the original H.R. 7927 which would have raised $591 million.

To my knowledge, neither the Postmaster General, the Bureau of the Budget, Treasury, Commerce Department or any responsible administration official has publicly commented on the bill now before us since, as I have indicated, it has been subject to back-door maneuvering in order to slip it through in these closing days of the session.

However, Mr. Speaker, the most disturbing thing to me is the frustration we feel at being prevented from offering proper amendments. I was prepared to offer amendments restoring the basic administration request, and also writing into the postal bill the provision that future major increases in Post Office operations should automatically be covered by corresponding rate increases.

If the drain on the Treasury due to the continuing postal deficit is of concern, then it should be honestly eliminated—not met with a half-hearted gesture such as the bill before us.

However, Mr. Speaker, the bill does have one redeeming feature, and that is, the amendment offered by the gentleman from Nebraska [Mr. CUNNINGHAM], which would control the flow of postage-free Communist mail that is being sent into this country in huge amounts.

Mr. BROWN. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa, a member of the committee [Mr. GROSS].

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Speaker, I am opposed to this gag rule and I am opposed to the bill. This is the fourth bill that the committee had before it in this session and there were never any hearings on the bill presently before you. Hearings were held on the first of the four rate-increase bills, but the original was a far different bill than this. There never was one minute of hearings on this bill.

I am not going to vote for a postal rate increase that loads 80 percent of the increase upon the users of first-class mail. First-class mail is available to anyone who can read and write in this country, regardless of condition of servitude. In other words, of the $520 million increase, 80 percent would be loaded on the users of first-class letters, air mail, and postal cards.

Someone awhile ago spoke about a salary increase bill. Why should there be concern about postal rates in relation to a salary increase for postal workers? No one seems to be concerned about tax revenue when a salary increase is voted for the nearly 2 million other Federal employees. I did not hear of a tax bill last year to pay the increase to the Classification Act employees in the Government. Why have Members suddenly become so worried about the deficit in the Post Office Department? Why have they become suddenly so worried about any deficit? I did not hear anybody talking about a tax increase to take care of the millions for the Peace Corps that was authorized only yesterday, or the billions of dollars poured out in foreign aid. Why, I ask again, this sudden interest in deficits.

Mr. BROWN. Mr. Speaker, I yield 1 minute to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Speaker, of course I am opposed to the gag rule. I want to call attention to the words that I spoke here early this year on the so-called liberalization of the Rules Committee, when I said that that was not what it was—and I might say to the gentleman from Ohio that we were not fooled—but that what would probably come out was exactly this, following the pattern of the New Deal, to bring to the floor of the House closed rules so that the House could not work its will.

Time is running out on these so-called liberals from the northern areas. You are not liberal. You are not anxious to have the House work its will. I think the people of this country are going to begin to see it. I hope we will vote down this gag rule.

Mr. BROWN. Mr. Speaker, as I understand, the gentleman from California will ask unanimous consent when we conclude this debate that all Members be given permission to extend their remarks in the RECORD on this subject?

Mr. SISK. That is right.

Mr. BROWN. Mr. Speaker, I yield the balance of the time to the gentleman from Kansas [Mr. AVERY], a member of the Rules Committee.

Mr. AVERY. Mr. Speaker, this is a most unusual situation that we face here this afternoon. I do not recall in my legislative experience that we have had another parliamentary situation just like this one we have here today.

It is hard, of course, to calculate what legislative situation may develop in respect to the adoption of this rule. There is some reason to believe that there might be an effort to defeat the motion for the previous question when the debate on the rule has been completed.

Mr. Speaker, may I submit a parliamentary inquiry to the Chair?

The SPEAKER pro tempore (Mr. MILLS). The gentleman will state it.

Mr. AVERY. If the motion for the previous question should be voted down at the appropriate stage of the proceedings, then it would be in order, would it not, to offer an amendment to the resolution before the House?

The SPEAKER pro tempore. The gentleman is correct. The resolution would be open to amendment.

Mr. AVERY. Therefore, if it was the will of the House to consider this postal rate bill under an open rule, it would so be in order.

There appeared in a local paper some months ago a reference to the Rules Committee, after they had taken independent action on several school bills, as tyrants. That would not be quite so bad if the committee had not been further referred to as little tyrants. I do not know quite what point the editorial was trying to establish.

I was reminded of the editorial after the Rules Committee marched up the hill yesterday and then had to turn around and march down again.

The lines are reforming very quickly on this so-called issue. Yesterday we had witnesses before the Rules Committee who not only voted against the last postal rate increase before the House but even spoke against it here on the floor, but yesterday they were before the Rules Committee urging the increase provided in this bill.

Mr. CEDERBERG. Mr. Speaker, will the gentleman yield?

Mr. AVERY. I yield to the gentleman from Michigan?

Mr. CEDERBERG. By reference to the CONGRESSIONAL RECORD of Tuesday, August 13, 1957, page 13272, the gentleman will find that four prominent members of the Rules Committee on the Democratic side voted against the 4-cent stamp in 1957, a bill that was much fairer to second- and third-class mail than this, and it was not a gag rule at all. I think it is about time that we read back for the record some of the state-

ments that were made when the Republicans were in charge trying to have a 4-cent rate, and compare them with what is happening here today. I just want to say publicly that I voted for the postal rate increase, and I was on the committee, but I want to see some of the people on that side of the aisle read back the record and walk down the aisle and vote for it this time. Unless there is some effort for it over there, we should not participate in this gag rule at all.

Mr. JOHANSEN. Mr. Speaker, will the gentleman yield?

Mr. AVERY. The gentleman from Kansas would like to get a few Kansas viewpoints on the record, and not get entirely Michigan viewpoints.

Mr. JOHANSEN. May I offer one sentence in regard to those who 2 years ago opposed it? I recall that there is more rejoicing in heaven over 1 sinner that repents than 99 already saved. I rejoice that they do repent.

Mr. CEDERBERG. But there is no repentance until they vote.

Mr. AVERY. I am sure neither one of the gentlemen who just addressed the House ever sinned, therefore they could not be considered as experts on repentance.

On the more serious side, very shortly after we had a postal rate increase in 1958, we had two successive increases in pay for postal workers. I recall also that President Eisenhower vetoed the last postal pay raise and then his veto was overridden.

I wonder now, several Members appearing before the Committee on Rules lately have taken the responsibility to speak for the President on his official position in connection with certain labor legislation. I wonder if anybody here would like to express an opinion, at least, as to the President's position next year, if we have another postal pay increase coming before us. Would anyone care to comment on that?

If there is to be a postal pay increase, it should be considered simultaneously with the rate increase in order that the pay cost can be fully provided for.

I want to call your attention to another editorial this morning which said that the President has already taken action to the end by addressing a letter to Dave MacDonald of the steelworkers, urging labor to show self-restraint. I would only say, I would hope that if this rate is increased, or even if it is not, that the President address that same letter to the postal workers urging them to show restraint in their demands for a postal pay increase next year so that this increased revenue will not automatically all be wiped out by another postal pay increase for the postal workers, as was the case in 1960.

Now why did we waive points of order? That is the good part about this bill. I want to cite it to you for your consideration.

Section 11 was an amendment to the bill, I understand, which was offered by the gentleman from Nebraska [Mr. CUNNINGHAM], a ranking minority member on that committee. This amendment will have the effect of prohibiting the mailing of Communist political propaganda through the U.S. mails. If that particular section was standing by itself, I would hope, Mr. Speaker, it would have the unanimous support of this House.

Contained in this bill were other controversial sections upon which the House will have to work its will.

I would urge my colleagues to give serious consideration to motion for the previous question when it is in order. If it is voted down the House may move to consider the resolution for amendment or not to consider it at all if the Members so wish.

Mr. BROWN. Mr. Speaker, will the gentleman yield?

Mr. AVERY. I yield to the gentleman from Ohio.

Mr. BROWN. I am asking the gentleman to yield because I feel he would agree with me when I say that, in my opinion at least and in the opinion of many other people, some of the users of second- and third-class mail have been sold a bill of goods in this particular measure. I made the prediction when the bill was before the Committee on Rules, and I would make the prediction now, that it will not be too long before the administration and the Post Office Department will be here before a congressional committee requesting an increase in third-class and second-class mail rates—after, of course, having gotten the increase in first-class mail rates. That is where the big money is located. I think some of our friends who use second- and third-class mail have not only been sold a bill of goods, but are living in a fool's paradise.

Mr. AVERY. I certainly could not disagree with the gentleman, and I certainly would defer to his experience both as a Member of the House of Representatives and as a user of second- and third-class mail.

The SPEAKER pro tempore. The time of the gentleman from Kansas has expired.

Mr. SISK. Mr. Speaker, I yield 1 minute to the gentleman.

Mr. JONAS. Mr. Speaker, will the gentleman yield?

Mr. AVERY. I yield to the gentleman from North Carolina.

Mr. JONAS. Mr. Speaker, in view of the fact that the Federal payroll is now running at the rate of $12 to $14 billion a year and increasing every month, and in view of the fact that we had under consideration earlier today a supplemental appropriation bill in which various agencies of the Government requested 8,000 new employees; do you not think you might include among your suggestions to the President that he take action, by letter or otherwise, to cause the executive agencies to do a little belt tightening?

Mr. AVERY. I would certainly agree with the gentleman, but the records show that the trend is very definitely in the opposite direction.

Mr. Speaker, I thank the gentleman from California for yielding me the time.

The SPEAKER pro tempore. The time of the gentleman from North Carolina has again expired.

Mr. SISK. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks on the resolution under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BROYHILL. Mr. Speaker, I shall support the bill now under consideration, H.R. 7927, to increase postal rates. However, I am disappointed in the action taken by the House Post Office and Civil Service Committee because the bill which it approved increasing postal rates does not contain proper increases in all classes of mail. The original proposal of the Post Office Department recomended increased postal revenues amounting to $741 million. I was in favor of this legislation. It was introduced by the distinguished chairman of our committee, Hon. TOM MURRAY, and it provided a fair increase proportionately in all classes of mail even though it did not provide for a 100-percent cost coverage in second- and third-class mail. It represented, in my opinion, a bill which the American people would support, because it did not shift the entire burden of postal rate increases to first-class mail.

I regret to say, however, that the committee succumbed to the pressure of those who advocated much less postal rate increases for second- and third-class mail. In addition, the majority of the committee members has approved a provision setting aside this year $330 million, 7½ percent of the total postal budget, as public service costs for the Post Office Department. This simply means that the taxpayers are going to be called upon in future years to pay more than $330 million annually for the so-called public services of the Department.

Mr. Speaker, I said I was disappointed in the action of the committee because I believe in order for a postal rate bill to be completely fair it must provide reasonable increases in the postal rates for those who use the mail in their businesses. The low and preferential rates for second- and third-class mail is not action in the public interest as provided in this bill, H.R. 7927.

The committee cannot be proud of its action.

While it may be possible under the rationale which the majority of the committee adopted on paper to eliminate a substantial portion of the postal deficit, I believe the Members should realize that it is merely a bookkeeping "sleight of hand." In reality a large annual postal deficit of nearly $400 million will remain after the enactment of this legislation during the next fiscal year.

Mr. Speaker, I intend to support the legislation which has been approved by the committee because I believe that "half a loaf is better than none." But I do not condone the method by which this legislation now comes to the floor of the House under the guise of a bill which will remove the postal deficit. For, in fact, it will not do so and we should not attempt to conceal the facts from the

American public who will pay the substantial portion of this revenue increase.

The postal deficit this year will be $875 million and the additional annual revenues derived from this bill are estimated at $521 million. Even if this bill were effective now the true postal deficit for this fiscal year would amount to over $610 million. As I stated earlier, during the next fiscal year the true postal deficit even after the enactment of this legislation will be almost $400 million annually or more.

Although I deplore the failure of our committee to approve the original proposal introduced by Chairman MURRAY, I believe that we must reduce the postal deficit to the extent possible. For this reason, I will support this measure and even though it is completely inadequate I urge the Members to approve the bill.

Mr. NORBLAD. Mr. Speaker, I believe that the great majority of Members of the House feel that there must be an adjustment in postal rates to stop the huge annual deficit of the Post Office Department.

However, I think it also safe to say that the majority of Members including myself feel that it is unjust to place this burden on the users of first-class mail as is provided for by this bill. Other classes of mail should carry their just share of this burden and I think that in the field of the so-called "junk mail" that this is particularly true.

Letters from my Oregon constituents indicate that they would vote to raise the "junk mail" rates to the extent of making it prohibitive.

An open rule should have been granted on this bill to allow for the consideration of equitable rate increases throughout our postal system.

Mr. ROUSH. Mr. Speaker, there is great sentiment in my district, and I believe across the Nation, in support of putting the Post Office Department on a self-supporting basis. The service of this Department is valuable. Their efficiency has complemented the progress of commerce and communications in our country. It is a valuable asset to the Nation and its citizens. It provides a valuable service to all those who use it. This service is valuable and I believe it is essential that the value be properly recognized.

I oppose parts of the bill which is to be considered. I believe that there are amendments which could be offered to make the bill more satisfactory, and I would like to extend this House the opportunity of considering such amendments.

I do not for one moment question the need for, nor do I oppose the philosophy of, the bill. I want to close the Post Office Department defict. But I do not believe this bill properly apportions the increases necessary to do this. The bill secures nearly 80 percent of the total increased revenue from first-class mail. I believe this class of mail has long been paying its fair share, if not more than its share, of the postal costs.

The source of additional revenue should more properly be the second and third classes of mail. The handling and services rendered to mailers using this type of mail are not proportionately less than first class as the rates would indicate. I believe the users of these services should pay their way and pay their share of the cost of providing the postal services. The mailers of "junk mail," periodicals, and flyers in bulk have been subsidized by low postage costs long enough. I will support this bill if it is amended to include increases in these classes of mail. I want to have the opportunity of amending the bill to make these necessary changes. I oppose the closed rule and will support an open rule which will make these changes possible.

Mr. HECHLER. Mr. Speaker, this is a lopsided bill which gives only a meager increase in second- and third-class postal rates. It is about time that magazines and "junk mail" pay their own way. We ought to have the backbone to vote a bill which will do just that.

I disapprove of the strategy, or whatever you want to call it, of bringing in this lopsided bill under a rule which prevents amendments. What is the legislative process for, anyhow? If we are afraid of debating and amending a bill, this is tantamount to saying there is something basically wrong with the legislative process. We must have faith in the great branch of Government which article I of the U.S. Constitution created. If Congress does not have faith in its own processes, we might as well disband and go home. Did I hear someone say "Good idea"? Well, I feel we can do better than this closed rule provides, and I feel we must do better than the bill provides.

If we allow this rule to go through and then face the prospect of a bad bill or none at all, we are not keeping faith with the American people. There is no reason in the world why we have to raise first-class postal rates to 5 cents and make the poor people carry all of the burden of the postal deficit. Why not raise second- and third-class postal rates and make them pay for themselves? This would cause some big mailers to think twice before they dumped some more unwanted "junk mail" into the mailboxes of the American people.

Mr. Speaker, some reference has been made to the fact that those who voted for a postal pay raise should not vote for a rise in postal rates. I thoroughly agree with this reasoning, and as one who voted to give a well-deserved pay increase to postal employees, I want to make my position crystal clear: I am for a postal rate rise on second- and third-class rates first of all. I think these rates should be raised high enough so they will not run a deficit.

I intend to vote against the previous question, because I want to see an open rule which allows amendments to this bill. Then I hope that the bill will be amended to provide higher second- and third-class rates.

Members have stated that this bill is the best bill which can be obtained and therefore we must support it. I disagree with that reasoning. I want to see the postal deficit reduced. And there is a clear-cut way to do it by raising the rates on junk mail and magazines, instead of by the milk-and-water proposal now contained in the bill which we are being gagged in an attempt to jam it through this House.

Under unanimous consent, Mr. Speaker, I include the following editorial from the Charleston (W. Va.) Gazette:

TOKEN HIKES IN POSTAGE RATES FOR JUNK MAIL AND MAGAZINES IS GROSS FAVORITISM

The special interest in Congress has asserted itself sufficiently to make it probable that the general public will pay at least 1 penny more next year to send a first-class or air-mail letter.

At the same time second-class and junk-mail users, who, unlike the public, are organized to obtain preferential treatment from Congressmen, will be nudged with token raises. The Government is already subsidizing magazine and newspaper publishers far more than is justified while the privileges junk mailers enjoy are scandalous.

No one can argue with the thesis that the Post Office Department deficit, currently amounting to about $1 billion annually, should be reduced, but if there are any legitimate arguments why in the process wealthy industrialists should pay less than their fair share, they have yet to be announced.

Indeed, except for the outrageously high costs of delivery of second-class and junk mail, the post office debt would be considerably less. The tentative rate increases merely compound an inequity and discriminate further against the two classes of mail users who in relation to other users already pay more than their pro rata cost.

It makes no sense whatsoever for magazine magnates of the ilk of Henry Luce to be permitted to fatten their own pocketbooks at the expense of the ordinary taxpayer. To deliver only the products of the Luce octopus costs the Government millions yearly over what Luce pays for service.

Here is gross governmental favoritism, and the people should not stand for it.

Mr. SISK. Mr. Speaker, I yield 7 minutes to the gentleman from Pennsylvania [Mr. RHODES].

Mr. RHODES of Pennsylvania. Mr. Speaker, for 8 years I had the pleasure of serving with the distinguished chairman of the House Post Office and Civil Service Committee. I am quite sure that no one is better informed on Post Office matters than the gentleman from Tennessee. I believe that our views on postal rates differ very little. He will agree with me, I believe, that the giant subsidies which are made possible through low second-class postage rates are unjustifiable.

The bill before us does very little about this problem. I am opposed to this rate increase bill in its present form, because it will put an additional unfair burden on the users of first-class mail, who already pay more than their proportionate share of postal costs. I am opposed to raising first-class rates without substantially increasing second class. To raise letter postage to 5 cents would help protect and make more secure the big postal subsidies to giant publishers of magazines like Time, Life, and Reader's Digest.

This year, according to 1960 ascertainment figures by the Post Office Department, the cost to the taxpayers for these second-class postal subsidies will total $340 million. Over a million dollars a month in subsidies goes to the Luce publications, which include Time, Life, and Fortune. I am inclined to believe that this is a very conservative estimate and

that this Federal aid to the Luce monopoly is much larger than estimated by postal authorities. It is interesting to note, that while these giant publishers, are the biggest individual beneficiaries of Federal subsidies, they are the most vocal and aggressive opponents of other Federal aid programs, particularly programs which help the average citizen. While the Luce publications and others like Reader's Digest use their mighty propaganda weapons to oppose Federal spending for schools, public welfare, and other liberal and progressive legislation, they are silent about Federal aid and big subsidies which they themselves receive.

In the 85th Congress, when a postal rate increase was voted, the House of Representatives approved a subsidy limitation amendment which I introduced. My proposal limited annual subsidies to any one publication to $100,000. Despite the pressure of the powerful magazine lobby, and the influence in Congress of big publishers, my amendment, after a revision upward of the subsidy limitation, received strong support in the other body, although the publishers were successful in having it defeated by a Senate vote of 57 to 33.

I again introduced a subsidy limitation bill in this 87th Congress which would reduce these annual subsidies gradually from a $5 million limitation the first year, to $100,000 over a 5-year period for any one publication. Because of the closed rule on the postal bill, no amendments can be introduced today. That is another reason why I am opposed to this bill.

I realize that many good arguments can be made for 5-cent letter mail. It is a big bargain to the people even though it would result in a good profit in first-class mail service. To be able to send a letter anywhere in the United States for 5 cents and make a profit on it is a real tribute to the Post Office Department. But I do not think we should raise first-class rates to protect big second-class publishers. My constituents object to this form of taxation to subsidize these big handouts. The U.S. Post Office is the largest individual business in the world and, despite all criticism, it gives excellent service at a very low cost.

The chief cause of the postal deficit is not inefficiency, as critics often say, but because of the many subsidies which Congress gives to private businesses which use the postal service, or which carry the mail. If there is anything very bad with this great public enterprise, it is the charge against it for subsidies which benefit private enterprises.

There is no desire on my part, Mr. Speaker, to harm the publishing industry. Certainly it has contributed much to the progress of our country and to the enlightenment of our people. But it seems quite proper to me that Congress should take a look at some of the evil practices of the large publishers. Improved standards should be adopted in determining the eligibility for second-class privileges. The offering of cut-rate subscriptions by some of the large magazines means that American taxpayers finally pay for these promotional schemes.

I was impressed by the fact that the head of the Curtis Publishing Co. has suggested that it might be a good thing for the Post Office Department to consider whether magazines who resort to such practices should be entitled to second-class postage rates.

We should consider whether the publishers who receive many millions of dollars in postal subsidies should be required to furnish information to the Post Office Department about salaries and pensions which top executives of the industry take for themselves since the American taxpayer makes a substantial contribution through Federal aid subsidies.

Federal subsidies are as old as our Government itself. They can serve a good purpose, in keeping a proper balance in our economy and in promoting services and programs which are in the public interest. As a matter of principle I am not opposed to postal subsidies, even to the larger magazines. But I do believe that Congress should take steps to correct the many evils which have developed with the growth of giant news monopolies, which are, so often in conflict with the public interest. American taxpayers should not be forced to subsidize intellectual dishonesty, deception, and the corruption which pollutes the important bloodstream of news and information in this country today.

I cannot, therefore, in good conscience support a bill like this, which places such a big increase on first-class mail users, and even on small publishers, whose rates in some cases will be doubled, while at the same time calling for only a token increase to those whose subsidies cannot be justified.

Mr. Speaker, I am opposed to the closed rule and to the bill. It should be voted down so the committee can bring back a proposal for postal rate increases which we can conscientiously support.

Mr. AVERY. Mr. Speaker, will the gentleman yield?

Mr. RHODES of Pennsylvania. I yield to the gentleman.

Mr. AVERY. I appreciate the gentleman's yielding. The gentleman's last sentence answered the question I had in mind. I was going to ask the gentleman if he would not support a motion to vote down the previous question so the bill can be amended to conform with the suggestion he has just made to the House.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania has expired.

Mr. COLMER. Mr. Speaker, will the gentleman yield for the purpose of offering an amendment to make this an open rule?

Mr. SISK. I do not yield for that purpose.

Mr. Speaker, I move the previous question.

Mr. COLMER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

Mr. DERWINSKI. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. DERWINSKI. Mr. Speaker, since we are voting on ordering the previous question, a "no" vote in effect opens up the rule?

The SPEAKER pro tempore. If ordering the previous question is voted down, then the resolution is open for amendment or further debate.

The question is on ordering the previous question.

The question was taken; and there were—yeas 142, nays 222, answered "present" 2, not voting 71, as follows:

[Roll No. 208]

YEAS—142

Abbitt	Gilbert	Murphy
Addabbo	Granahan	Murray
Addonizio	Gray	Natcher
Albert	Griffin	Nix
Alexander	Hagan, Ga.	Norrell
Ashley	Harris	O'Brien, Ill.
Bailey	Harrison, Va.	O'Brien, N.Y.
Barry	Healey	O'Hara, Ill.
Bass, Tenn.	Hemphill	O'Hara, Mich.
Beckworth	Henderson	O'Neill
Bennett, Fla.	Herlong	Osmers
Bennett, Mich.	Holland	Perkins
Boland	Holtzman	Pilcher
Bolling	Huddleston	Price
Bonner	Hull	Pucinski
Boykin	Ikard, Tex.	Rains
Brademas	Inouye	Randall
Brewster	Jennings	Rodino
Burke, Ky.	Johansen	Rooney
Burke, Mass.	Johnson, Wis.	Roosevelt
Byrne, Pa.	Jones, Ala.	Rostenkowski
Chelf	Karsten	Rutherford
Cook	Kee	St. Germain
Corbett	Kilday	Santangelo
Daddario	Kilgore	Scherer
Daniels	King, Calif.	Schwengel
Davis, James C.	Kluczynski	Scott
	Kornegay	Sheppard
Davis, Tenn.	Kunkel	Shipley
Dawson	Lankford	Sisk
Delaney	Lesinski	Smith, Miss.
Denton	Libonati	Spence
Diggs	Loser	Staggers
Donohue	McCormack	Stratton
Elliott	Macdonald	Stubblefield
Fallon	Machrowicz	Teague, Tex.
Farbstein	Madden	Thomas
Fascell	Mahon	Thompson, N.J.
Finnegan	Marshall	Thornberry
Flood	Miller, George P.	Toll
Fogarty		Trimble
Forrester	Mills	Tuck
Fountain	Monagan	Udall, Morris K.
Friedel	Montoya	Vanik
Gallagher	Moorhead, Pa.	Wallhauser
Garmatz	Morgan	Watts
Gavin	Morris	Yates
Giaimo	Moss	Zablocki

NAYS—222

Abernethy	Broyhill	Devine
Adair	Bruce	Dingell
Alford	Burleson	Dole
Andersen, Minn.	Byrnes, Wis.	Dominick
	Cahill	Dooley
Andrews	Cannon	Dorn
Ashbrook	Casey	Dowdy
Ashmore	Cederberg	Downing
Auchincloss	Chamberlain	Doyle
Avery	Chenoweth	Dulski
Baldwin	Chiperfield	Durno
Baring	Church	Dwyer
Bass, N.H.	Clancy	Edmondson
Bates	Clark	Ellsworth
Battin	Coad	Everett
Becker	Cohelan	Evins
Beermann	Collier	Feighan
Belcher	Colmer	Fenton
Bell	Conte	Findley
Berry	Corman	Fisher
Betts	Cramer	Flynt
Blitch	Cunningham	Frelinghuysen
Bolton	Curtin	Fulton
Bow	Curtis, Mass.	Garland
Bray	Curtis, Mo.	Gary
Bromwell	Davis, John W.	Gathings
Brooks, Tex.	Dent	Goodell
Broomfield	Derounian	Goodling
Brown	Derwinski	Grant

Green, Oreg.	McIntire	Rogers, Colo.
Griffiths	McMillan	Rogers, Fla.
Gross	McSween	Roudebush
Gubser	McVey	Roush
Hagen, Calif.	Mack	Ryan
Haley	Mailliard	Saylor
Halleck	Martin, Nebr.	Schenck
Hansen	Mathias	Schneebeli
Harding	Matthews	Schweiker
Hardy	May	Scranton
Harrison, Wyo.	Meader	Seely-Brown
Harsha	Merrow	Selden
Harvey, Ind.	Michel	Shelley
Harvey, Mich.	Miller, Clem	Short
Hechler	Minshall	Shriver
Hiestand	Moeller	Sibal
Hoffman, Ill.	Moore	Sikes
Hoffman, Mich.	Moorehead, Ohio	Smith, Calif.
Holifield	Morse	Smith, Iowa
Horan	Mosher	Smith, Va.
Hosmer	Moulder	Springer
Ichord, Mo.	Nelsen	Stafford
Jarman	Norblad	Stephens
Jensen	Nygaard	Sullivan
Johnson, Md.	O'Konski	Taber
Jonas	Olsen	Taylor
Judd	Ostertag	Teague, Calif.
Karth	Passman	Thompson, Tex.
Kastenmeier	Patman	Thomson, Wis.
Keith	Pelly	Tollefson
Kelly	Peterson	Tupper
King, N.Y.	Philbin	Ullman
King, Utah	Pike	Utt
Kitchin	Pillion	Van Pelt
Knox	Poage	Van Zandt
Kowalski	Quie	Walter
Kyl	Ray	Weis
Laird	Reifel	Whalley
Lane	Rhodes, Ariz.	Wharton
Langen	Rhodes, Pa.	Whitener
Latta	Riehlman	Whitten
Lindsay	Riley	Wickersham
Lipscomb	Rivers, Alaska	Widnall
McCulloch	Rivers, S.C.	Williams
McDowell	Robison	Winstead
McFall		

ANSWERED "PRESENT"—2

Aspinall	Martin, Mass.

NOT VOTING—71

Alger	Hébert	Reece
Anderson, Ill.	Hoeven	Reuss
Anfuso	Joelson	Roberts
Arends	Johnson, Calif.	Rogers, Tex.
Ayres	Jones, Mo.	Rousselot
Baker	Kearns	St. George
Barrett	Keogh	Saund
Blatnik	Kilburn	Schadeberg
Boggs	Kirwan	Siler
Breeding	Landrum	Slack
Brooks, La.	Lennon	Steed
Buckley	McDonough	Thompson, La.
Carey	MacGregor	Vinson
Celler	Magnuson	Weaver
Cooley	Mason	Westland
Dague	Miller, N.Y.	Willis
Fino	Milliken	Wilson, Calif.
Ford	Morrison	Wilson, Ind.
Frazier	Multer	Wright
Glenn	Pfost	Young
Green, Pa.	Pirnie	Younger
Hall	Poff	Zelenko
Halpern	Powell	
Hays	Rabaut	

So the motion to order the previous question was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Keogh for, with Mr. Aspinall against.

Mr. Buckley for, with Mr. Martin of Massachusetts against.

Mr. Kirwan for, with Mr. Morrison against.

Mr. Powell for, with Mr. Thompson of Louisiana against.

Mr. Reuss for, with Mr. Hébert against.

Mr. Joelson for, with Mr. Johnson of California against.

Mr. Blatnik for, with Mr. Frazier against.

Mr. Green of Pennsylvania for, with Mr. Miller of New York against.

Mr. Barrett for, with Mr. Arends against.

Mr. Rabaut for, with Mr. Wright against.

Mr. Saund for, with Mr. Ford against.

Mr. Multer for, with Mrs. St. George against.

Mr. Celler for, with Mr. McDonough against.

Mr. Carey for, with Mr. Weaver against.

Mr. Anfuso for, with Mr. Pirnie against.

Mr. Zelenko for, with Mrs. Fino against.

Until further notice:

Mr. Lennon with Mr. Hall.

Mrs. Pfost with Mr. Baker.

Mr. Rogers of Texas with Mr. Wilson of California.

Mr. Roberts with Mr. Kilburn.

Mr. Hays with Mr. Hoeven.

Mr. Cooley with Mr. MacGregor.

Mr. Brooks of Louisiana with Mr. Schadeberg.

Mr. Breeding with Mr. Poff.

Mr. Jones of Missouri with Mr. Younger.

Mr. Landrum with Mr. Anderson of Illinois.

Mr. Vinson with Mr. Ayres.

Mr. Willis with Mrs. Reece.

Mr. Boggs with Mr. Kearns.

Mr. Young with Mr. Alger.

Mr. Magnuson with Mr. Rousselot.

Mr. Steed with Mr. Wilson of Indiana.

Mr. Slack with Mr. Glenn and Mr. Mason.

Mr. ASPINALL. Mr. Speaker, I have a live pair with the gentleman from New York [Mr. KEOGH]. If he were present he would vote "aye." I voted "no." I withdraw my vote and vote "present."

Mr. MARTIN of Massachusetts. Mr. Speaker, I have a live pair with the gentleman from New York [Mr. BUCKLEY]. If he were present, he would vote "aye." I voted "no." I withdraw my vote and vote "present."

Mr. KEITH changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

Mr. COLMER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLMER, of Mississippi: After the word "*Resolved*" in line 1, strike out all of the remaining language and insert the following: "That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7927) to adjust postal rates, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider without the intervention of any point of order the amendments recommended by the Committee on Post Office and Civil Service now printed in the bill. At the conclusion of such consideration, the Committee shall rise and report the bill to the House, with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit."

Mr. COLMER. Mr. Speaker, this amendment, the House having voted down the previous question, simply substitutes an open rule for the closed rule that you voted the previous question down on. In every other instance in its provisions it is exactly the same as the rule that was offered.

Mr. ROOSEVELT. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from California.

Mr. ROOSEVELT. Is it not true, however, that under the proposed motion points of order would not be allowed, and therefore, if anyone had a legitimate point of order against one of the committee amendments, it would not be allowed, and therefore in that respect it is not an open rule?

Mr. COLMER. The gentleman is correct excepting that it does waive points of order, which is nothing unusual. Most of the rules that we present here do waive points of order, so there is nothing unusual about that. And, I might add, since the gentleman has reminded me of it, the primary purpose here of waiving points of order is because of the provision in the bill which would ban Communist literature under certain circumstances.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Was not the real purpose to make it possible to consider this so-called Communist political propaganda amendment which is so obviously unconstitutional?

Mr. COLMER. Well, of course, the gentleman is a much abler lawyer than I am, and even if time and the occasion were appropriate, I would not undertake to debate that question with him. I do not know what the Supreme Court, as now constituted, would do about this.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Nebraska.

Mr. CUNNINGHAM. Having been responsible for the committee amendment to keep Communist political propaganda from coming in here and being delivered free by our postal system, I think I know quite a bit about the legality of it. And, I might say, not relying on my own judgment but having the help of private constitutional lawyers, I know without any question of a doubt that this is a germane and a constitutional proposal.

It is unlikely that we would pass anything that would be unconstitutional. Frequently we hear threats of Presidential vetoes, yet we ignore them and work our own will. The same thing applies on the question of constitutionality: We will do what we believe to be right and let others decide whether we were wrong.

Mr. COLMER. Mr. Speaker, let me repeat, that matter can be debated. I merely wanted to clarify the atmosphere as to the purpose of this amendment.

If this amendment is adopted the gentleman from Tennessee [Mr. MURRAY] will be in position to move that the House resolve itself into the Committee of the Whole and consider this bill just as he could have done under the original rule except a different procedure will be in order.

Before I yield the floor I want to say this additional thing, repeat what I said in the initial debate, that I am strongly in favor of the enactment of this or similar legislation. I want to see these postal rates increased and this deficit cut down and something approaching a

pay-as-you-go proposition developed. In other words, this particular bill would cut down about $550 million of the $800-some-odd million deficit. That is the only thing I am interested in.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield briefly to my friend from West Virginia.

Mr. BAILEY. The gentleman is not proposing the same procedure here that we used in 1955 when we defeated the previous question on the extension of the Trade Agreements Act, an open rule was ordered there. You are not offering an open rule; it is a modified rule, is it not?

Mr. COLMER. If the gentleman wants to so designate it, it is all right.

Mr. PILLION. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield.

Mr. PILLION. I think there ought to be some clarification of what this bill does in relation to the sending of Communist literature in the mail. Actually his bill does not in itself ban or prohibit the sending of Communist literature in the mail. It refers the question to the Attorney General of the United States. Is not that true?

Mr. COLMER. If the gentleman will permit me, I would like to get on with this and have a vote on the amendment, and whether we are going to consider the bill. These other questions can be debated later. I hope the gentleman will defer to me under those circumstances.

Mr. Speaker, I move the previous question on the amendment.

The previous question was ordered.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the resolution as amended.

The resolution as amended was agreed to.

A motion to reconsider was laid on the table.

PERSONAL ANNOUNCEMENT

Mr. ROOSEVELT. Mr. Speaker, on rollcall No. 207 I am recorded as being absent. I was absent, but keeping an important appointment at the White House in the public interest. Had I been present I would have voted in the negative.

MILITARY CONSTRUCTION APPROPRIATION BILL, 1962

Mr. SHEPPARD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H.R. 8302 making appropriations for military construction for the Department of Defense for fiscal year ending June 30, 1962, and for other purposes, with the Senate amendment thereto insist upon the amendment of the House to the amendment of the Senate numbered 2 and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California? The Chair hears none, and appoints the following conferees: Messrs. SHEPPARD, SIKES, CANNON, JONAS, and TABER.

STATUS OF APPROPRIATION BILLS AND IDENTIFIED LEGISLATIVE BILLS CARRYING BACK-DOOR PROVISIONS, 87TH CONGRESS, 1ST SESSION

(Mr. CANNON asked and was given permission to extend his remarks at this point in the RECORD, and to include certain tables.)

Mr. CANNON. Mr. Speaker, for the information of the House and the country, I include up-to-date tabulations of the regular appropriation bills and identified legislative bills carrying back-door provisions of one kind or another. The conference report is filed on the District bill, and conference will be had Monday on the foreign assistance bill.

Only two bills then remain—the public works bill and the last supplemental, both pending in the other body.

Mr. Speaker, the country is becoming more aware of the evils of the irresponsible practice of back-door appropriations. And the House is beginning to insist that the special pleaders stop raiding the Treasury. In the last supplemental, passed today, we undertook to reverse some of the more recent back-door intrusions. The Wall Street Journal calls it "sloppy money." I include the editorial from its Thursday issue:

REBUFF TO SLOPPY MONEY

The big congressional row over back-door spending for foreign aid appears to be having some useful after effects.

It will be recalled that Congress refused to submit to the massive administration pressure to permit the foreign-aid dispensers to draw a multibillion-dollar chunk of their funds directly from the Treasury over a 5-year period, without benefit of annual congessional appropriations.

This served to dramatize the issue of congressional control of the purse, and apparently has stiffened the lawmakers' resistance to other administration efforts to diminish their responsibilities in this regard. For now, in approving a more than $631 million bill providing supplemental funds for a flock of Federal agencies, the House Appropriations Committee in a number of of cases specified that the money had to be allocated by the regular appropriations process rather than the back-door route.

Why these agencies should already need $631 million in extra funds is a question that might well puzzle the frazzled taxpayer, but it is not the question that concerns us here. The heartening thing about the committee action is that it does reaffirm congressional insistence both on its own responsibilities and on sound financing methods.

The upshot may well be more fighting, as the administration seeks to get these funds back into the back door. That's all right too. The more the issue is aired, the worse will seem the administration's case for sloppy money. And the less praiseworthy its determination to thumb its nose at Congress.

Table of appropriation bills, 87th Cong., 1st sess., as of Sept. 15, 1961

[Does not include any back-door appropriation bills]

Title	Budget estimates to House	Amount as passed House	House action compared with budget estimates	Budget estimates to Senate	Amount as passed Senate	Senate action compared with—		Final conference action	Increase or decrease compared to budget estimates to date
						Budget estimates	House action		
1961 SUPPLEMENTALS									
3d supplemental	$1,235,482,769	$803,506,119	−$431,976,650	$5,275,213,127	$4,637,419,970	−$637,793,157	+$3,833,913,851	$1,694,055,637	[1] −$3,581,157,490
Inter-American program	600,000,000	600,000,000		600,000,000	600,000,000			600,000,000	
4th supplemental	88,024,000	47,214,000	−40,810,000	88,024,000	47,214,000	−40,810,000		47,214,000	−40,810,000
Total, 1961 supplementals	1,923,506,769	1,450,720,119	−472,786,650	5,963,237,127	5,284,633,970	−678,603,157	+3,833,913,851	2,341,269,637	−3,621,967,490
1962 APPROPRIATIONS									
Treasury-Post Office	5,371,801,000	5,281,865,000	−89,936,000	5,371,801,000	5,327,631,000	−44,170,000	+45,766,000	5,298,765,000	−73,036,000
Interior [2]	782,387,000	753,319,000	−29,068,000	782,387,000	813,399,850	+31,012,850	+60,080,850	779,158,650	−3,228,350
Labor-HEW	4,282,148,081	4,327,457,000	+45,308,919	5,004,281,081	5,161,380,000	+157,098,919	+833,923,000	4,915,965,000	−88,316,081
Legislative	105,646,577	104,353,335	−1,294,242	136,082,802	135,432,065	−650,737	+31,078,730	135,432,065	−650,737
State, Justice, Judiciary	795,891,202	751,300,050	−44,591,152	795,891,202	762,038,550	−33,852,652	+10,738,500	756,422,550	−39,468,652
Agriculture	6,089,244,000	5,948,466,000	−140,778,000	6,089,244,000	5,967,457,500	−121,786,500	+18,991,500	5,967,494,500	−121,749,500
Loan authorizations	(612,000,000)	(629,900,000)	(+17,900,000)	(612,000,000)	(725,500,000)	(+113,500,000)	(+95,600,000)	(725,500,000)	(+113,500,000)
Independent offices	8,625,561,000	8,304,098,000	−221,463,000	9,174,561,000	9,098,769,500	−75,791,500	+694,671,500	8,966,285,000	−208,276,000
General Government-Commerce	666,278,000	626,958,000	−39,320,000	666,278,000	650,438,200	−15,839,800	+23,480,200	641,135,800	−25,142,200
Defense	42,942,345,000	42,711,105,000	−231,240,000	46,396,945,000	46,848,292,000	+451,347,000	+4,137,187,000	46,662,556,000	+265,611,000
District of Columbia	(292,438,188)	(268,122,400)	(−24,315,788)	(292,827,398)	(270,438,360)	(−22,389,038)	(+2,315,960)	(270,067,897)	(−22,759,501)
Loan authorization	(24,600,000)	(29,000,000)	(+4,400,000)	(24,600,000)	(29,000,000)	(+4,400,000)		(29,000,000)	(+4,400,000)
Federal payment	39,753,000	32,753,000	−7,000,000	39,753,000	32,753,000	−7,000,000		32,753,000	−7,000,000
Military construction	1,047,568,000	883,359,000	−164,209,000	1,047,568,000	1,020,146,750	−27,421,250	+136,787,750	[3] 947,878,750	−99,689,250
Foreign assistance	4,993,991,000	3,835,245,000	−1,158,746,000	4,993,991,000	4,416,091,000	−577,900,000	+580,846,000		
Public works	3,732,038,000	3,662,701,380	−69,336,620						
Supplemental	604,975,447	573,040,923	−31,934,524						
Total, 1962 appropriations	80,079,628,307	77,896,020,688	−2,183,607,619	80,498,783,085	80,233,829,415	−264,953,670	+6,573,551,030	75,103,846,315	−400,945,770
Total, all appropriations	82,003,135,076	79,346,740,807	−2,656,394,269	86,462,020,212	85,518,463,385	−943,556,827	+10,407,464,881	77,445,115,952	[1] −4,022,913,260
Total, loan authorizations	(636,600,000)	(658,900,000)	(+22,300,000)	(636,600,000)	(754,500,000)	(+117,900,000)	(+95,600,000)	(754,500,000)	(+117,900,000)

NOTE.—Indefinite appropriations are included in this table.

[1] Major reductions include 2 items submitted directly to Senate (S. Doc. 19): (1) $2,969,525,000 to restore funds of Commodity Credit Corporation. Entire estimate disallowed in conference; $1,951,915,000 resubmitted for 1962 in budget estimates for Agriculture (H. Doc. 155); (2) $490,000,000 for "Payment to the Federal extended compensation account." Reduction made by Senate. Resubmitted to Senate for 1962 in Labor-HEW bill (S. Doc. 30).

[2] Includes borrowing authority as follows: Budget estimate, $15,000,000; House reported and passed, $10,000,000; Senate reported and passed, $10,000,000.

[3] Pending final disposition, with $3,812,000 not settled (and not included in this figure).

New authority to obligate the Government carried in identified legislative bills—1st sess., 87th Cong., (public debt borrowing, contract authority, use of receipts, and authority to use existing authority)

[Please note that for some bills no amounts are shown; thus the grand totals understate the situation]

Bill and subject	Executive requests		Senate	House	Enacted	Enacted compared with executive requests—	
	Full basis	Basis comparable to enacted				Full basis	Comparable basis
1. Veteran's direct loans, multiyear (H.R. 5723; Public Law 87-84) (public debt)	[4]	[4]	$1,050,000,000	$1,050,000,000	$1,050,000,000	+$1,050,000,000	+$1,050,000,000
2. Area redevelopment, multiyear (S. 1; Public Law 87-27) (public debt)	[2] ($300,000,000)	[2] ($300,000,000)	[3] 300,000,000	[2] (300,000,000)	[3] 300,000,000	+300,000,000	+300,000,000
3. Agricultural commodities, sales for foreign currencies, for calendar year 1961 (S. 1027; Public Law 87-28) (contract authority involving subsequent reimbursement of CCC)	[5] 2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000		
4. Special milk program for fiscal year 1962 (S. 146; Public Law 87-67) (contract authority involving subsequent reimbursement of CCC)	[5] 105,000,000	[5] 105,000,000	105,000,000	105,000,000	105,000,000		
5. Special feed grain program for 1961 (H.R. 4510; Public Law 87-5) (contract authority involving subsequent reimbursement of CCC)	[6]	[6]	[6]	[6]	[6]		
6. Housing Act of 1961, multiyear (S. 1922; Public Law 87-70) (public debt and contract authority):							
(a) FNMA, special assistance (public debt)	750,000,000	750,000,000	750,000,000	[7] 1,550,000,000	[7] 1,550,000,000	+800,000,000	+800,000,000
(b) College housing loans (public debt)	1,350,000,000	1,000,000,000	1,350,000,000	1,200,000,000	[8] 1,200,000,000	−150,000,000	+200,000,000
(c) Public facility loans (public debt)	50,000,000	50,000,000	50,000,000	500,000,000	450,000,000	+400,000,000	+400,000,000
(1) Mass transportation loans (public debt)			100,000,000		50,000,000	+50,000,000	+50,000,000
(d) Urban renewal grants (contract authority)	[9] 2,500,000,000	[9] 2,500,000,000	[9] 2,500,000,000	[9] 2,000,000,000	[9] 2,000,000,000	−500,000,000	−500,000,000
(e) Public housing (contract authority):							
(1) Annual contributions	[10] 3,146,000,000	[10] 3,146,000,000	[10] 3,146,000,000	[10] 3,146,000,000	[10] 3,146,000,000		
(2) Demonstration grants	[11] (10,000,000)	[11] (10,000,000)	[11] (10,000,000)		[11] 5,000,000	+5,000,000	+5,000,000
(f) Open space land grants (contract authority)	[12] (100,000,000)	[12] (100,000,000)		[12] (100,000,000)	[12] 50,000,000	+50,000,000	+50,000,000
(g) Mass transportation demonstration grants (contract authority)	[13] (10,000,000)	[13] (10,000,000)	[13] (50,000,000)		[13] (25,000,000)	(+15,000,000)	(+15,000,000)
(h) Farm housing loans (public debt)	[14] 207,000,000	[14] 207,000,000	[14] 207,000,000	[14] 407,000,000	[14] 407,000,000	+200,000,000	+200,000,000
Total, housing bill	8,003,000,000	7,653,000,000	[15] 8,103,000,000	8,803,000,000	8,858,000,000	+855,000,000	+1,205,000,000
Loans	(2,357,000,000)	(2,007,000,000)	(2,457,000,000)	(3,657,000,000)	(3,657,000,000)	(+1,300,000,000)	(+1,650,000,000)
Grants	(5,646,000,000)	(5,646,000,000)	(5,646,000,000)	(5,146,000,000)	(5,201,000,000)	(−445,000,000)	(−445,000,000)

See footnotes at end of table.

87TH CONGRESS
2D SESSION

H. R. 9531

IN THE HOUSE OF REPRESENTATIVES

JANUARY 10, 1962

Mr. MORRISON introduced the following bill; which was referred to the Committee on Post Office and Civil Service

A BILL

To amend the law relating to pay for postal employees.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SEC. 101. This Act may be cited as the "Postal Employees' Salary Act of 1962".

POSTAL FIELD SERVICE SCHEDULE

SEC. 102. The Postal Field Service Schedule contained in subsection (a) of section 3542 of title 39 of the United States Code is amended to read as follows:

"POSTAL FIELD SERVICE SCHEDULE

"Level	Per annum rates and steps					
	1	2	3	4	5	6
1	$4, 425	$4, 565	$4, 705	$4, 845	$4, 985	$5, 125
2	4, 700	4, 845	4, 990	5, 135	5, 280	5, 425
3	5, 010	5, 165	5, 320	5, 475	5, 630	5, 785
4	5, 400	5, 570	5, 740	5, 910	6, 080	6, 250
5	5, 650	5, 820	5, 990	6, 160	6, 330	6, 500
6	5, 900	6, 075	6, 250	6, 425	6, 600	6, 775
7	6, 300	6, 485	6, 670	6, 855	7, 040	7, 225
8	6, 700	6, 905	7, 110	7, 315	7, 520	7, 725
9	7, 000	7, 225	7, 450	7, 675	7, 900	8, 125
10	7, 600	7, 840	8, 080	8, 320	8, 560	8, 800
11	8, 300	8, 560	8, 820	9, 080	9, 340	9, 600
12	9, 000	9, 285	9, 570	9, 855	10, 140	10, 425
13	9, 860	10, 170	10, 480	10, 790	11, 100	11, 410
14	10, 775	11, 110	11, 445	11, 780	12, 115	12, 450
15	11, 775	12, 140	12, 505	12, 870	13, 235	13, 600
16	12, 900	13, 265	13, 630	13, 995	14, 360	14, 725
17	14, 500	14, 865	15, 230	15, 595	15, 960	16, 325
18	15, 865	16, 230	16, 595	16, 960	17, 320	17, 685
19	17, 285	17, 650	18, 015	18, 380	18, 745	19, 110
20	18, 200	18, 565	18, 930	19, 295	19, 660	------"

RURAL CARRIER SCHEDULE

SEC. 103. The Rural Carrier Schedule contained in subsection (a) of section 3543 of title 39 of the United States Code is amended to read as follows:

"RURAL CARRIER SCHEDULE

	"Per annum rates and steps					
	1	2	3	4	5	6
Carriers in rural delivery service:						
Fixed compensation per annum	$2, 617	$2, 698	$2, 779	$2, 860	$2, 941	$3, 022
Compensation per mile per annum for each mile up to 30 miles of route	86	88	90	92	94	96
For each mile of route over 30 miles	29	29	29	29	29	29
Temporary carriers in rural delivery service on routes to which no regular carrier is assigned:						
Fixed compensation per annum	2, 617	------	------	------	------	------
Compensation per mile per annum for each mile up to 30 miles of route	86	------	------	------	------	------
For each mile of route over 30 miles	29	------	------	------	------	------
Temporary carriers in rural delivery service on routes having regular carriers absent without pay or on military leave	(1)	(1)	(1)	(1)	(1)	(1)
Substitute carriers in rural delivery service on routes having carriers absent with pay	(1)	(1)	(1)	(1)	(1)	(1)

"[1] Basic compensation authorized for the regular carrier."

FOURTH-CLASS OFFICE SCHEDULE

SEC. 104. The Fourth-Class Office Schedule contained in subsection (a) of section 3544 of title 39 of the United States Code is amended to read as follows:

"FOURTH-CLASS OFFICE SCHEDULE

"Gross Receipts	Per annum rates and steps					
	1	2	3	4	5	6
$1,300 to $1,499.99	$3, 330	$3, 430	$3, 530	$3, 630	$3, 730	$3, 830
$900 to $1,299.99	3, 147	3, 237	3, 327	3, 417	3, 507	3, 597
$600 to $899.99	2, 577	2, 652	2, 727	2, 802	2, 877	2, 952
$350 to $599.99	1, 987	2, 047	2, 107	2, 167	2, 227	2, 287
$250 to $349.99	1, 405	1, 450	1, 495	1, 540	1, 585	1, 630
$200 to $249.99	1, 128	1, 163	1, 198	1, 233	1, 268	1, 303
$100 to $199.99	853	878	903	928	953	978
Under $100	550	570	590	610	630	650"

AUTOMATIC ADVANCEMENT BY STEP INCREASES

SEC. 105. The provisions for automatic advancement by step increases contained in subsection (a) of section 3552 of title 39 of the United States Code is amended to read as follows:

"AUTOMATIC ADVANCEMENT BY STEP INCREASES

"(a) Except as to a substitute employee in the Postal Transportation Service whose position is allocated to salary level PFS–5 as a distribution clerk in a railway or highway post office, each employee whose position is allocated to the Rural Carrier Schedule, the Fourth-Class Office Schedule, or the Postal Field Service Schedule, who has not reached

the highest step for his position, shall be advanced successively to the next higher step for his position at the beginning of the first pay period following the completion of each twenty-six calendar weeks of satisfactory service in steps one and two, and shall be advanced successively to the next higher step for his position at the beginning of the first pay period following the completion of each fifty-two calendar weeks of satisfactory service in steps three and above. The benefit of successive step-increases shall be preserved, under regulations prescribed by the Postmaster General, for employees whose continuous service is interrupted by service in the Armed Forces."

CONVERSION

SEC. 106. Each employee under the Postal Field Service Schedule, the Rural Carrier Schedule, and the Fourth-Class Office Schedule shall be placed in pay steps under this Act as follows: All employees in present step 1 with less than six months of service shall be placed in the new step 1; employees in step 1 with more than six months of service shall be placed in new step 2; employees in present step 2 shall be placed in new step 3; employees in present step 3 shall be placed in new step 4; employees in present step 4 shall be placed in new step 5; and employees in present steps 5, 6, and 7 shall be placed in new step 6: *Provided,*

That no employee shall lose his anniversary date for an automatic or longevity pay increase.

LONGEVITY STEP INCREASES

SEC. 107. Subsections (a) and (b) contained in section 3558 of title 39 of the United States Code are amended to read as follows:

"(a) There are established for each employee longevity steps A, B, and C. For each longevity step to which he is entitled—

"(1) each employee, other than a postmaster at a post office of the fourth class or a rural carrier, shall receive an amount equal to one step-increase for his position,

"(2) each rural carrier shall receive an amount equal to one step-increase for salary level PFS–4, and

"(3) each postmaster at a post office of the fourth class shall receive an amount equal to one step-increase for salary level PFS–1 or to 6 per centum of his basic salary, whichever is the lesser.

In computing the percentage increase under this subsection the amount of the increase shall be rounded to the nearest dollar. A half dollar or one-half cent shall be rounded to the next highest dollar or cent, respectively.

"(b) Each employee shall be assigned to—

"(1) longevity step A at the beginning of the pay period following the completion of ten years of service; and

"(2) longevity step B at the beginning of the pay period following the completion of thirteen years of service; and

"(3) longevity step C at the beginning of the pay period following the completion of sixteen years of service."

EXEMPTIONS

SEC. 108. Subsection (b) of section 3575 of title 39 of the United States Code is amended by striking out in lines 1 and 2 the following words: "to substitute employees and".

AUTHORIZATION OF APPROPRIATIONS

SEC. 109. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

EFFECTIVE DATE

SEC. 110. The foregoing provisions of this Act shall become effective on the first day of the first pay period which begins on or after January 1, 1962.

87TH CONGRESS
2D SESSION

H. R. 9531

A BILL

To amend the law relating to pay for postal employees.

By Mr. MORRISON

JANUARY 10, 1962

Referred to the Committee on Post Office and Civil Service

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued January 24, 1962
For actions of January 23, 1962
87th-2d, No. 8

CONTENTS

Acreage allotments.....23
Audit reports.....2,12
Automation.....22
Budget.....15,18
Committee staffs.....8
Conservation reserve.....30
Cotton.....23
Education.....4,29
Electrification.....10
Employment.....5
Expenditures commission..27
Export-Import Bank.....2
Farm credit.....6,12
Farm labor.....21
Farm loans.....11
Farm program.....20
Fiscal policy.....14
Food for peace.....19
Foreign trade.....2,16
Forestry.....9,25
Grazing lands.....25
Hurricane loans.....11
Lands.....9,25
Personnel.....5,24
Postal rates.....1
Procurement.....7
Reclamation.....28
Reports.....2,10,11,12
Retirement.....24
Rice.....23
Spending.....3
Surplus property.....26
Tariffs.....13
Veterans' benefits.....29
Water resources.....17
Wool.....2

HIGHLIGHTS: House debated postal rate increase bill. Sen. Anderson and Rep. Aspinall introduced and Sen. Anderson discussed bills to add certain Taylor grazing lands to national forests. Sen. Wiley introduced and discussed bill to establish Hoover-type Watchdog Commission on Federal Expenditures. Rep. Schwengel introduced and discussed bill to extend conservation reserve program contracts.

HOUSE

1. POSTAL RATES. Continued ~~Began~~ debate on H. R. 7927, to adjust postal rates. pp. 637-78
Rep. Glenn spoke in opposition to an increase in third-class rates, saying "I firmly believe that another increase in the bulk third-class mail rate would only serve to reduce the volume of such sales literature and cause a drop in sales, something neither I nor the administration wants." pp. 687-8

2. FOREIGN TRADE. Rep. Lane inserted a letter from the United Textile Workers of America criticizing current trade policies with special reference to wool, saying, "It seems to me that the State Department pursues the same laudable goal of increased foreign trade, but with a callous indifference to the effect of its policies and recommendations on thousands of textile workers, thousands of manufacturers, and thousands of workers in related industries." pp. 683-4

Received from the Comptroller General a report on the annual audit of the Export-Import Bank of Washington (H. Doc. 308). p. 704

3. SPENDING. Rep. Garland inserted an article, "The Remedy for Deficits Is Simple: Just Spend Less." p. 688

4. EDUCATION. Rep. Brademas inserted a report, "Congressional Action for Higher Education," by the Advisory Group on Higher Education of the Education and Labor Committee. pp. 692-5

5. EMPLOYMENT. The "Daily Digest" states that the "Committee on Education and Labor: Special Subcommittee on Labor, in executive session, ordered a subcommittee print reported to the full committee regarding proposed Federal equal employment opportunity legislation." p. D25

6. FARM CREDIT. Received from the Farm Credit Administration a proposed bill "To amend section 6 of the Agricultural Marketing Act, as amended, to reduce the revolving fund available for subscriptions to the capital stock of the banks for cooperatives"; to Agriculture Committee. p. 704

7. PROCUREMENT. Received from the General Services Administration a proposed bill "To amend the Federal Property and Administrative Services Act of 1949, to make title III thereof directly applicable to procurement of property and nonpersonal services by executive agencies"; to Government Operations Committee. p. 704

8. COMMITTEE STAFFS. Received from the various committees reports showing the name, profession, and total salary of each person employed by them during the 6-month period ending Dec. 31, 1961. pp. 697-704

SENATE

9. PUBLIC LANDS; FORESTRY. Began consideration of S. 1760, to establish the Great Basin National Park, Nevada (eliminates from the Humboldt National Forest and returns to public domain status certain lands in the Snake Division of the forest). pp. 633-5

10. ELECTRIFICATION. Received the annual report of REA on rural electric and rural telephone programs. p. 559

11. FARM LOANS. Received from this Department the annual report on the status of Puerto Rican hurricane relief loans. p. 559

12. FARM CREDIT. Received from the Farm Credit Administration a proposed bill "to amend section 6 of the Agricultural Marketing Act, as amended, to reduce the revolving fund available for subscriptions to the capital stock of the banks for cooperatives"; to Agriculture and Forestry Committee. p. 560
Received from GAO an audit report on the Farm Credit Administration. p. 560

13. TARIFFS. Received the annual report of the U. S. Tariff Commission. p. 560

14. FISCAL POLICY. Sen. Goldwater inserted his statement criticizing Federal fiscal policies, stating that "Among the foremost problems faced by American business interests today is the lack of planning and overall purpose in Government fiscal and monetary policy." pp. 587-8

House of Representatives

TUESDAY, JANUARY 23, 1962

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

John 10: 10: *I am come that they might have life, and that they might have it more abundantly.*

Most merciful and gracious God, in the plan and work of this day, may we be inspired to give democracy that larger expansion for service and human good which is inherent in the very principles which it professes and proclaims.

May our Nation never be guilty of stifling and stultifying the potential and creative abilities of any segment of society but seek to open the gates of opportunity more widely to all.

We pray that there may be confidence and cooperation among the executive, the legislative, and judiciary branches of our Government in the high vocation of statecraft and in our longings and labors to give to all the members of the human family the blessings of the more abundant life.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

A NATIONAL LOTTERY

(Mr. FINO asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. FINO. Mr. Speaker, in spite of all the partisan claims that the President's proposed budget of $92.5 billion is a sound and constructive budget, the fact remains that the American taxpayers are an unhappy lot.

Nowhere in this peacetime budget—the biggest and highest in the history of this country—is there a scintilla of hope offered for a tax cut or a reduction of our ever-mounting national debt.

This, Mr. Speaker, is indeed a sad day for every American wage earner.

It should be apparent by this time that, despite the tremendous prosperity we enjoy, all hope for tax relief or reduction of our debt is gone.

Yes, Mr. Speaker, all hope is gone unless we have the intestinal fortitude to provide the legislative means of raising painless and voluntary revenue for this purpose.

For 10 years, I have repeatedly urged the Congress to give serious and favorable consideration to a national lottery as the only means of bringing relief to our heavily burdened taxpayers. A national lottery in the United States would provide $10 billion a year in additional income which can be used to reduce our gigantic debt and cut our high taxes.

Mr. Speaker, is it not time that we give a little consideration to Mr. and Mrs. American Taxpayer?

CORRECTION OF THE RECORD

Mr. SCRANTON. Mr. Speaker, I ask unanimous consent to correct an error in the RECORD of yesterday on page 510 by substituting for the words "American Youth Congress" the words "Convention of the Ukrainian National Youth League of North America."

Mr. SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

YEAR OF THE GREAT DEBATE OVER WORLD TRADE

(Mr. ELLSWORTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ELLSWORTH. Mr. Speaker, we have been told over and over again that this is the year of the great debate over world trade; that it is vital for Congress to make the right decision; that every voice of responsible leadership in the Nation ought to be raised in responsible debate, over America's position as a leader in world trade.

Listening to the 6 o'clock news over the radio last Friday night, I was astounded to hear what purported to be a reproduction of the voice of our President, saying that if our exports were to rise by 10 percent, and our imports maintain their present level, our balance of payments problem would be solved. This is, strictly speaking, true, as a matter of theory—but it is masterfully misleading in fact, because in fact our imports cannot possibly be held to their present level—they must rise—in order to finance an expansion of exports.

The reason why the statement was made is clear: To draw the listener's attention away from the impact of the import problem, so as to avoid facing the tough consequences of lower tariffs, and to glamorize the possible pleasant consequences.

For the President to have done this is, to say the least, counterproductive of America's chance to make the right decision in this, our great debate of 1962.

CALL OF THE HOUSE

Mr. BASS of Tennessee. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 4]

Blitch	Hoffman, Mich.	Rostenkowski
Boykin	Hosmer	Rousselot
Byrnes, Wis.	Lipscomb	St. George
Cannon	McCulloch	St. Germain
Celler	McSween	Scott
Chiperfield	Macdonald	Selden
Coad	Martin, Mass.	Shelley
Cooley	Mason	Sheppard
Curtis, Mo.	Meader	Smith, Va.
Davis, Tenn.	Mefrow	Tupper
Finnegan	Miller, N.Y.	Ullman
Fogarty	Morrison	Van Pelt
Green, Oreg.	Norrell	Winstead
Harvey, Ind.	Rhodes, Ariz.	

The SPEAKER. On this rollcall 389 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CORRECTION OF ROLLCALL

Mr. HARDY. Mr. Speaker, I just discovered that on rollcall No. 3 I was listed as being absent. I was present and answered to my name, and I ask unanimous consent that the permanent RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

POSTAGE REVISION ACT, 1962

Mr. MURRAY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7927) to adjust postal rates, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 7927, with Mr. PRICE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. MURRAY. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, it is clear that H.R. 7927, the postal rate bill reported last year by the Post Office and Civil Service Committee and now before us, is completely unacceptable to the membership of the House. It is a drastically watered-down version of the original Henderson bill and was reported hastily in the rather remote hope of passing at least some kind of rate bill before the end of the first session. The large vote by which the House rejected the closed rule

on this bill last September merely emphasizes the weakness and inadequacy of the bill.

That bill not only fails by a wide margin to meet the need for adequate postal financing but—and this is of vital concern—if the serious deficiencies in the bill are not corrected it will have such an extremely adverse effect on the entire national budget as to endanger progress in critical defense and other major Government programs.

Accordingly, at the proper time following general debate, I will offer an amendment to strike all after the enacting clause of H.R. 7927 and substitute provisions for fair, realistic, and adequate postal rate adjustments and a firm public service policy—in short, a bill of the kind which must be approved if we are to meet the issue of fiscal responsibility and wipe out the tremendous postal deficit that now burdens the taxpayers. The rate adjustments, when all are placed in effect, will yield $621 million added postal revenue a year—the minimum required for a balanced postal budget. The new rates, together with the improved public service policy, will provide a postal rate structure based on fair and reasonable distribution of postage rates and fees to all classes of users of the mails covered by the bill, taking into consideration the value of the services they receive and the costs incurred in the rendering of such services.

The additional revenue provided by my amendment is a keystone of the President's program for a balanced budget for the fiscal year 1963 and he personally assigned it top priority among all new revenue measures when he said, in his state of the Union message:

> I am submitting for fiscal 1963 a balanced Federal budget.
>
> This is a joint responsibility, requiring congressional cooperation on appropriations, and on three sources of income in particular: (1) First, an increase in postal rates, to end the postal deficit.

The President in his budget message reaffirmed the necessity for the additional postal revenue provided by my amendment in these words:

> In line with the congressional policy that the users of the postal service shall pay the full cost of all other services, legislation is again being recommended to increase postal rates enough to cover such costs. * * *
>
> Budget expenditures for commerce and transportation programs are estimated to decline from $2.9 billion in 1962 to $2.5 billion in 1963. This decline reflects mainly a drop of $592 million for the postal service, based on my legislative proposal to increase postal rates to a level that will cover the costs of postal operations, except for those services properly charged to the general taxpayer.

Mr. Chairman, that is the fifth time in the last 8 months that President Kennedy has called for additional revenue to reduce the postal deficit. In his special message to the Congress on May 25, 1961, he said:

> Finally, our greatest asset in this struggle is the American people—their willingness to pay the price for these programs * * * to pay higher postal rates.

In a press conference on July 20, 1961, he said:

> I will suggest, however, while we're on it, that both the previous administration and this administration recommended nearly $840 million of tax increase in postal payment.
>
> This is a matter which * * * I'm hopeful the Congress wil deal with.

In his radio-TV state of the Union speech address on the Berlin crisis 5 days later he said:

> The luxury of our current post office deficit must be ended.

During my entire period of service on the Post Office and Civil Service Committee since it was created, and before that on the old Post Office and Post Roads Committee, more of my personal time and attention has been devoted to strengthening the financial operations of the Post Office Department than to any other endeavor. The postal deficit has developed entirely in the period since World War II. Each year since 1947 has seen postal deficits ranging from $200 million to nearly $900 million, and the total of these deficits now has passed $8 billion—an astronomical figure when we consider it has to be financed by the taxpayers, rather than by the users of the mails.

From 1900 to 1940 the Postal Establishment operated in the black, if we exclude the former airline subsidy and costs of mail handled for other Government agencies, and there was even a modest surplus during the World War II years. This favorable balance has been sharply reversed in the last 15 years by spiraling costs for salaries, transportation, equipment, and supplies—while postal rate adjustments have lagged far behind.

We faced the same condition in the 86th Congress, when the former Postmaster General recommended rate increases well above those in my amendment today and I sponsored a bill for the purpose. The bill was not even reported, and the deficit problem was turned over unresolved to the new administration on January 20, 1961. Shortly thereafter I introduced H.R. 6418, based on the official recommendation of our present Postmaster General, to increase postal revenues by $741 million annually and eliminate the postal deficit.

The amendment I offer today was developed after careful review of our committee deliberations throughout most of the first session and in cooperation with the White House and the Post Office Department. The President also has consulted me in this connection and strongly supports my amendment. The amendment is a fair and reasonable compromise which gives full consideration to the sharply divergent views on postal rates and is identical in substance to H.R. 7927 when it was introduced by my colleague on the committee, the gentleman from North Carolina [Mr. HENDERSON], on June 29, 1961—before it was watered down to its reported form in September 1961. The Henderson bill was thoroughly considered by our committee in a number of executive sessions and failed of approval by only one vote—primarily because of an assertion which apparently convinced a number of Members that the other body would not take up the bill if it were to be reported and passed by the House.

The situation has undergone a marked change—and a considerable improvement—in that respect during the recess period, and the chairman of the Senate Post Office and Civil Service Committee has announced that he will schedule prompt action on H.R. 7927 as soon as it passes the House. He has been fully advised as to the provisions of my amendment and I am confident agrees with me that the amendment will receive overwhelming approval.

The postal rate hearings and executive sessions conducted by our committee last year are the most comprehensive, informative, and productive ever held on the complex and difficult problem of postal rates. The hearings began April 25 and ended June 7, and were followed by no less than 11 separate executive sessions extending up to September 6—the most ever held on postal rates.

The Postmaster General has submitted an official report dated January 16, 1962, urging approval of my amendment today, and the President has again given assurance of his strong support for the amendment. The Postmaster General's report summarizes the value of my amendment and the necessity for its adoption in these words:

> Enactment of the proposed [Murray] amendment to H.R. 7927 would be an important milestone in the history of postal finances. It would carry out the spirit as well as the substance of the Postal Policy Act by providing a fair apportionment of postal costs between taxpayers and users of the mail. In addition, costs ascribed to mail users would be assessed equitably among all mail classes. The proposed rate increases give due consideration to the value of service furnished to each mail class. Also, they recognize and provide fair reimbursement to the postal service for recent cost increases.

In order that the membership might be informed in advance with respect to my amendment, a committee print including the amendment, explanatory material, and the Postmaster General's favorable report was sent last Thursday to each Member of the House with a personal letter from me. I believe that additional copies of the print are available here on the floor today, if needed.

The amendment which I will offer is identical to that in the committee print, except that it incorporates the provisions of section 11 of the committee bill, under the heading "Communist Political Propaganda," beginning at line 6 on page 15 of the committee bill. This section, which is now included in my amendment as well as the committee bill, has the effect of preventing the receipt, handling, transportation, or delivery by the U.S. postal service of any mail matter determined by the Attorney General to be Communist political propaganda. It also provides that no postal rate established by my amendment should be available for the receipt, handling, and transportation, or delivery of mail matter found by the Attorney General to be Communist political propaganda financed or sponsored directly or indirectly by any Communist-controlled government.

Apart from the very desirable addition of the section on Communist political propaganda, my amendment makes changes in the committee bill which fall in two general categories.

First, the postal policy provisions of existing law are strengthened and improved. Second, rate increases are provided at levels which, with the new policy, will wipe out the postal deficit and provide the full amount of the additional postal revenues which are required under the President's budget submitted to the Congress last Thursday.

The postal policy provisions of my amendment correct certain deficiencies in existing law and establish a firm and proper formula for the determination each year of the costs of postal services which are truly public services and, as such, should be charged to the general fund of the Treasury under well-established principles of public policy and the national interest. Examples of such public services are free mail for the blind, free-in-county mail, and mailings at reduced rates by qualified nonprofit organizations. Applying this formula, an estimated $247 million of postal costs for these public services will be borne by the general fund of the Treasury for the fiscal year 1963. This is about $95 million less than the $341 million public service charged to the taxpayers under the reported bill, which improperly designates as "public services" such historically sound, efficient, and necessary postal activities as rural routes and third- and fourth-class post offices, the cost of which it would have shifted to the taxpayers with no charge to users of the mails. The public service provisions of the reported bill thus would burden the taxpayers with a highly inflated portion of postal costs while excusing users of the mails from paying their full share.

While the public service allowance under my amendment is considerably higher than that provided by the bill I introduced last year, based on my comprehensive review of the record and after consultation with the Postmaster General and other representatives of the President I have concluded that it represents the best possible compromise of many strongly conflicting views which can be worked out. With this policy my amendment then proceeds to fix postal rates at the level required to wipe out the postal deficit and to provide the added postal revenue requested by the President in order that we may have a balanced national budget in the fiscal year 1963. I earnestly believe that this public service formula, arrived at through extensive and cooperative effort of the parties concerned, is distinctly in the public interest since it will settle the problem of public service charges in the future—a problem which, more than anything else, has delayed and defeated badly needed postal rate adjustments throughout recent years.

The rates in my amendment for first-class letter mail and airmail letters, as well as post cards and postal cards, are the same as those in the reported bill. Approval of these rates is imperative in order to provide the necessary measure of additional postal revenues. The first-class postage stamp at 5 cents will still be the best bargain in America. These rates are fully justified by priority of service and the absolute privacy guaranteed for a sealed first-class letter, as well as the fact that the postal service exists primarily to render the preferred first-class mail service to 181 million Americans.

The first-class letter increase from 4 to 5 cents is only a 25-percent increase, and the airmail letter increase from 7 to 8 cents is only a little over 14 percent. The first-class letter rate remained at 3 cents from 1932 until 1958, when it was changed to 4 cents—a 33⅓-percent increase. The legislation before us adds another 25 percent, or a total increase of only 58 percent since 1932—a very moderate increase, in comparison to the heavy increases imposed on second- and third-class mail.

Second-class, or publishers', rates for mailing commercial publications beyond county were increased by 30 percent in 1951 and again by 54 percent under the Postal Rate Increase Act of 1958—a total of 84 percent to which my amendment will add another 55 percent when both of the step increases are in effect.

The most important postage rate on third-class matter—the minimum charge per piece on bulk mailings of advertising circulars and so forth—already has been raised 150 percent since 1951, and when the adjustments in my amendment become effective will have been increased 170 percent during this period.

My amendment, therefore, will overcome the chief objection—and, in my judgment, a fully justified objection—to the reported bill during the debate on the rule last September 15. The watered-down version reported hastily in the closing days of the first session placed almost the entire burden of postal rate increases on users of first-class mail, with comparatively minor upward adjustments in second- and third-class rates. That unsatisfactory rate structure was coupled with an inflated public service provision that would have charged off to the taxpayers an arbitrary and excessive minimum of 7½ percent of the total postal budget for each year in the future. My amendment will correct these serious deficiencies. As pointed out in the Postmaster General's official report, under my amendment there will be a "fair apportionment of postal costs between taxpayers and users of the mail" and "costs ascribed to mail users will be assessed equitably among all mail classes."

The new rates will become effective July 1, 1962, except that the fixed charge per piece on second-class mail will be made in two steps; one-half cent will be effective July 1, 1962, and be increased to 1 cent a year later, on July 1, 1963.

My amendment makes no change on second-class mailings within county or on mail for the blind. It also continues the present rates on educational materials, on classroom publications, and on mailings of qualified nonprofit organizations.

Mr. Chairman, as I stated earlier, I shall propose an amendment to the committee bill at the proper time in the nature of a substitute, which I strongly urge the Members to support.

Mr. Chairman, under unanimous consent I insert following my remarks the full text of the letter from Postmaster General J. Edward Day to me dated January 16, 1962, which outlines in detail the administration's support of the amendment which I shall propose:

OFFICE OF THE POSTMASTER GENERAL,
Washington, D.C., January 16, 1962.

Hon. TOM MURRAY,
Chairman, Committee on Post Office and Civil Service, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your request for views on your proposed amendment to H.R. 7927.

The Post Office Department is pleased to endorse the proposed amendment. We urge its adoption for it would insure full compliance with the break-even directive of the Postal Policy Act (now 39 U.S.C. 2302(c)(4)).

Enactment of the proposed amendment to H.R. 7927 would be an important milestone in the history of postal finances. It would carry out the spirit as well as the substance of the Postal Policy Act by providing a fair apportionment of postal costs between taxpayers and users of the mail. In addition, costs ascribed to mail users would be assessed equitably among all mail classes. The proposed rate increases give due consideration to the value of service furnished to each mail class. Also, they recognize and provide fair reimbursement to the postal service for recent cost increases.

The subject bill, as reflected in the proposed amendment, would modify the Postal Policy Act (now 39 U.S.C. 2303) as follows:

(a) It deletes from the present list of public services the "loss resulting from the operation of such prime and necessary public services as the star route system and third- and fourth-class post offices." (39 U.S.C. 2303(a)(2).)

(b) For the enumerated public services, "loss" or "total loss" would be clearly defined as the excess of their allocated costs over revenues.

(c) By February 1 of each fiscal year, the Postmaster General would be required to estimate the public service losses for that year and the corresponding amount would then be deducted from the total costs of the Department for purposes of adjusting postal rates and fees.

The Department endorses these changes for the following major reasons:

(a) They would facilitate compliance with the Postal Policy Act (39 U.S.C. 2302(c)(4)) by recognizing total losses on public services before balancing costs and revenues. In the past 3 years, the fulfillment of the financial objectives of the Postal Policy Act has been hampered because of differences in the Congress concerning the amounts to be appropriated for public services. The subject bill corrects the underlying cause by clarifying the guidelines for computing the public service allowance.

(b) The precise amounts to be ascribed to public services would be determined routinely as a byproduct of Post Office cost ascertainment. The Postmaster General's report of February 1 each year would furnish the detailed record of public service costs necessary for an understanding of their nature and magnitude and for adjustment of the subsidies involved if the Congress determines adjustment is desirable in the public interest.

(c) Deletion of "losses" on star routes and small post offices would remove an objectionable feature from the present enumeration of public services. Star routes and small

post offices are integral parts of a nationwide communications and transportation complex. Without these facilities the postal service could not fulfill its recognized responsibility, as stated in the Postal Policy Act, to "unite more closely the American people, to promote the general welfare, and to advance the national economy."

Retention of star routes and small post offices in 39 U.S.C. 2303(a) would result in a partial double-accounting of public service allowances under the proposed language defining these losses. Significant portions of the cost of star routes and small post offices have been allocated to the costs of handling free and reduced-rate mail and to special services such as money orders and c.o.d.'s. The losses from these mails and services are already stipulated as public service credits under 39 U.S.C. 2303(a). To count these costs again in determining the loss on star routes and small post offices represents an unjustifiable charge against the Treasury for public service credits.

Adoption of the more liberal public service provisions of the subject legislation would serve to reduce the amount of additional revenue from higher postal rates that otherwise would be needed to comply with the Postal Policy Act.

Under the provisions of the subject amendment, we estimate public service costs in fiscal 1963 would be $248 million, in contrast with $74 million if the appropriations policy of the past 3 years continues. When fully effective, rate increases under the subject bill would yield $621 million at an annual rate, based on estimated mail volume for fiscal 1963. Adjustment of rates and conditions of mailability proposed by the Department for fourth-class mail would bring an additional net gain of $85 million annually. This adjustment is subject to the consent of the Interstate Commerce Commission.

The proposed public service allowances and rate revisions will enable the postal service to cover its costs in fiscal year 1963.

In consonance with 39 U.S.C. 2302(c)(2), the subject amendment to H.R. 7927 provides first-class postage rates which are fair and reasonable based on the value received by mail users. First-class mail is the premium service of the Post Office Department, and the guidelines prescribed by the Postal Policy Act call for above-cost rates to cover the value of preferential service. Since 1959, the margin of revenues in excess of costs has narrowed steadily to the point where it is now nonexistent.

Because first-class mail is the Department's prime service, it has traditionally paid a premium rate substantially above its allocated costs. In the years prior to World War II, revenues averaged about 140 percent of cost. That revenue-cost relationship foreshadowed the present provisions of the 1958 Postal Policy Act which directs that postage for first-class mail should be sufficient to cover allocated expenses plus "an additional amount representing the fair value of all extraordinary and preferential services, facilities, and factors relating thereto."

The proposed 1-cent increase in first-class mail is necessary to enable lagging rates to catch up with cost increases. Since 1932, when a 3-cent letter rate was first approved, the Consumer Price Index has risen 118 percent and the cost of handling a first-class letter has increased 130 percent. But letter rates have gone up only 33 percent. A 5-cent rate would bring the total increases since 1932 to 67 percent.

In second- and third-class mail, the subject amendment proposes higher postage to adjust for cost increases which have arisen since rates were last modified in 1958. These further rate adjustments, together with the proposed modifications for computing public services, would result in substantially higher coverage of costs in both classes of mail.

After reflecting public service allowances, the Department's revenues would be roughly 50 percent of cost in second class and 85 percent in third class. The relatively low cost coverage for second class, though substantially higher than in the past, is consistent with the established Congressional policy of below-cost rates for newspapers and periodicals. From the very beginning of the U.S. Postal System, low postage rates for these media have reflected the belief of Congress that wide distribution of reading matter should be encouraged for the public good.

Rates for commercial-type mailings in second class (newspapers and magazines) would go up 1 cent per copy—an average increase of 55 percent. When fully effective, the increase would yield about $53 million in new revenues. There would be no increase in rates for hometown papers delivered within their counties of publication. Similarly, there would be no increases on publications for classroom use or publications of nonprofit organizations.

In third class, the minimum rate for circulars and other bulk mailings would rise from 2½ cents to 3 cents. There would be no rate increases for nonprofit organizations. In all, third class would yield $93 million of new postal revenues.

This Department approves enactment of the proposed amendment to H.R. 7927. We have been advised by the Bureau of the Budget that enactment of H.R. 7927, with the proposed amendment, would be in accord with the program of the President.

Sincerely yours,

J. EDWARD DAY,
Postmaster General.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. MURRAY. I yield to the distinguished majority leader.

Mr. ALBERT. Mr. Chairman, may I ask the gentleman this question: Does the gentleman's amendment have the effect of retaining the committee amendment under the heading "Communist Political Propaganda" beginning at line 6, page 15, and ending with the line immediately following line 5 on page 16 of the reported bill?

Mr. MURRAY. Unquestionably it does.

Mr. ALBERT. I thank the gentleman.

Mr. MURRAY. Mr. Chairman, I think this is a very fair bill. I do not think it will put anybody out of business. Something must be done to eliminate this gigantic deficit in the Post Office Department. I trust the Members will vote for the legislation.

Mr. CORBETT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am going to support the substitute amendment to be offered by the gentleman from Tennessee [Mr. MURRAY]. I do this with great reluctance. The situation as it confronts us at the moment is that the gentleman has introduced an amendment which will provide rates considerably below what I know he thinks are justified. I had been strictly for the committee bill, but in view of his actions in agreeing to a compromise, I felt that I must go along with this and join forces with him in order that we may move this rate bill along to the other body.

Likewise because of the decision which was made, I suppose in the last hour, that the Cunningham provision which would bar the transmittal of Communist propaganda in this country is to be included in the substitute, it makes that substitute more attractive. Without the Cunningham amendment, I do not know how anybody could support a postal rate increase. We would find ourselves in the position of calling on the postal field service to handle Communist propaganda virtually free while we are telling American citizens you have to pay more to get your mail delivered. As we go through the amending process on this bill, it is very evident there are going to be all kinds of amendments offered, to increase rates in some cases and to decrease them in others. I am now announcing that with, perhaps, very few exceptions I am going to oppose any of those amendments. I am going to do so because this subject of postal rates is just as complicated as any legislation that comes before this body. We have been days and weeks and months and, in the case of many of us, years listening to testimony in the committee—hammering out amendments and trying to keep the rates in balance so that we do not have great shifts at any point which would cause the users of the mails to suffer. This subject is complicated. The committee has worked hard. The staff has worked hard. We have been in consultation with users of the mail and we have been inconsultation with experts from the department. Out of it all has come a measure that is in balance and which, I believe, after it has been worked over by the other body will be a fairly satisfactory bill from all points of view. But, as I said in the beginning, I am reluctantly supporting this bill. Its impact on the users of the mail could be very damaging. It could be as has happened before that we will have to come back here and lower certain rates. But in that spirit of compromise, I am going to join with the chairman in trying to keep this substitute bill intact and send it to the other body and eventually the whole thing should result in bringing the post office deficit into balance.

Therefore, I rise in support of the Murray amendment.

Mr. YOUNGER. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. I yield to the gentleman from California.

Mr. YOUNGER. Can the gentleman tell us what percentage of the first-class postal rate is paid by business institutions and subject to deduction on taxes?

Mr. CORBETT. Approximately 75 percent.

Mr. YOUNGER. And what about the percentage of the second-class mail?

Mr. CORBETT. I would say regarding the second-class mail, that close to 100 percent of it is paid by business.

Mr. YOUNGER. And as to the third-class mail; would it be about the same? About 100 percent?

Mr. CORBETT. Third-class mail is basically direct mail advertising but there is very much of this type of mail sent out by nonprofit institutions.

Mr. YOUNGER. So, so far as the net return budgetwise for the Federal Gov-

ernment is concerned, we would lose approximately 50 percent of the increase; is that not right?

Mr. CORBETT. Well, this gets into the tax business and I do not know how it would affect certain companies. Obviously, if a company were operating at a profit, I think the gentleman's position is correct.

If some of these rates are going to throw them into a situation where they have a deficit or are losing, then they will not be able to deduct; you cannot deduct from a deficit.

Mr. YOUNGER. They will not be able to add much to employment either if they go broke, will they?

Mr. CORBETT. I think the gentleman should direct these questions to the Director of the Budget and to the executive head of the Government, who have been the strongest pushers for this bill.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. I yield to the gentleman from Iowa.

Mr. GROSS. Is it not true that the proposed administration amendment to be offered by the chairman of the committee was rejected by the House Post Office and Civil Service Committee last year?

Mr. CORBETT. Technically that may be right. As the gentleman recalls, the bill was reduced by the gentleman from North Carolina [Mr. HENDERSON] and then we immediately started to amend it. There were all sorts of amendments to the Henderson bill; therefore, we never had a vote on the Henderson bill.

Mr. GROSS. Yes, because of a situation where we had four or five bills, and some of them came in overnight. Is that not true?

Mr. CORBETT. That is correct.

Mr. GROSS. So, very few people, if any, knew exactly what was going on. Is not that correct?

Mr. CORBETT. Let us say very few people knew.

Mr. GROSS. Is it not also correct that the chairman of the committee thought so much of the committee bill last fall that he asked for a closed rule for consideration of the bill last year?

Mr. CORBETT. He probably did this for reasons similar to the ones that cause me to support his substitute bill. The only chance we had last year to get a bill through, I believe the gentleman from Tennessee so stated, was to have a closed rule and get it over to the Senate; so he agreed to that procedure like I am agreeing to this one.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. I yield.

Mr. JOHANSEN. It is my recollection, and probably the gentleman can bear me out, that what is now referred to as the Murray substitute amendment did lose in the committee, but it lost by one vote. Is not that correct?

Mr. CORBETT. I thought that was the original administration bill that was tabled and that we did not have a vote on the Henderson bill; anyhow that is essentially correct.

Mr. Chairman, I yield the floor.

The CHAIRMAN. The gentleman from Pennsylvania has consumed 8 minutes.

Mr. MURRAY. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. JAMES C. DAVIS].

(Mr. JAMES C. DAVIS asked and was given permission to revise and extend his remarks.)

Mr. JAMES C. DAVIS. Mr. Chairman, the essential provisions of this bill have been very adequately explained by the distinguished chairman of the committee and the distinguished ranking member on the minority side, so I will not impose on the time of the Committee to go into the general provisions of the bill.

Throughout the years in the past I have opposed rate increase legislation for several reasons. One was that through most of the years first-class mail was not only paying its way but paying a profit. That situation has changed now, and in order for first-class mail to pay its way now I think it is necessary to increase the rate from 4 to 5 cents an ounce on letter mail and to increase the postcard rate and the airmail rate.

I voted this year to report the committee bill out of the committee.

The bill we will be considering today, the substitute to be offered by the distinguished chairman, was not the bill reported out by the committee. It was not the committee bill. I listened with a great deal of interest to the remarks of the distinguished gentleman from Pennsylvania [Mr. CORBETT]. He said he opposes all amendments. I hope he will not oppose the amendments I intend to offer, because I am offering one to amend the Murray substitute in two respects which were not in the bill reported out of the committee, and not in the original bill; one is the provision fixing a surcharge on second-class matter of one-half cent effective July 1 this year and one-half cent effective July 1 next year. That provision was not in the bill reported out of the committee, and I hope the gentleman from Pennsylvania will support my amendment. I hope the gentleman from Tennessee will see fit to accept my amendment.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. JAMES C. DAVIS. I yield.

Mr. JENSEN. Do I understand the gentleman intends to offer an amendment to strike out the surtax on newspapers now in the Murray bill?

Mr. JAMES C. DAVIS. I am offering an amendment to strike out the entire 1-cent surtax which takes effect in two stages, as it applies to newspapers.

Mr. JENSEN. I am interested in that because I have a letter here showing that many newspapers in my district will be very greatly penalized by that provision in the bill.

Mr. JAMES C. DAVIS. I intend to offer that amendment.

Mr. JENSEN. I certainly thank the gentleman, and I shall support his amendment.

Mr. JAMES C. DAVIS. I also expect to offer another amendment about which I will say a few words at this time. The substitute will carry a provision to prohibit the mailing of third-class mail matter between the dates of December 15 and December 25 each year.

The purpose of that amendment is to require Christmas cards to be mailed prior to December 15. That is not in the law at present, but it is a provision in this substitute to be offered by the gentleman from Tennessee.

I have conferred with the Post Office Department and they tell me they handled the Christmas card situation this year in such a manner that this provision now is not necessary. The provision will do a great deal of damage to certain business people, one of which is in my district, the F. W. Dodge Co., which gets out daily business reports. They mail them in December as in the other months of the year. If this provision restricting the mailing of third-class matter between December 15 and December 25 is not taken out of the bill, it will do incalculable harm to business people, such as the F. W. Dodge Co. which gets out construction news reports regularly each day. They would be prevented from getting them out for that period, if the bill is passed with that provision in it.

With these two provisions I expect to support the bill. I will support the bill if these two changes can be made, and I earnestly hope that the committee and the House will see fit to support me on these matters.

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. JAMES C. DAVIS. I yield to the gentleman from Alabama.

Mr. ROBERTS. I would like to compliment the gentleman on his amendment. As I understand it, his amendment takes care of the weekly newspapers with a circulation outside of the county of publication?

Mr. JAMES C. DAVIS. It certainly would.

Mr. ROBERTS. Most of these are family-owned and family-operated types of newspapers. That is the purpose of the gentleman's amendment?

Mr. JAMES C. DAVIS. The purpose of my amendment is to prevent this extremely heavy burden from falling on any of these small newspapers, some of which would be put out of business, so I am told by the Newspaper Publishers Association.

Mr. ROBERTS. In the absence of the amendment to be offered by the gentleman, under the Murray substitute how much of an increase would be placed on these small newspapers?

Mr. JAMES C. DAVIS. In the absence of the amendment there would be an increase of one-half cent per copy on each newspaper mailed out of the county of publication to take effect on July 1 of this year. Then another one-half cent to take effect on July 1 of next year. There would be a total increase, when fully effective, of an additional 1 cent per copy on every copy of a newspaper mailed out of the county of publication.

Mr. ROBERTS. How much of an increase have these weekly newspapers had since 1959?

Mr. JAMES C. DAVIS. I will have to speak from recollection because I do not have the record before me, but my recol-

lection is that in 1951 we put on 30 percent in three annual increases. In 1958 three annual 18-percent increases were adopted, making 54 percent.

Mr. ROBERTS. I thank the gentleman.

Mr. MATTHEWS. Mr. Chairman, will the gentleman yield?

Mr. JAMES C. DAVIS. I yield to the gentleman from Florida.

Mr. MATTHEWS. Could the gentleman give me some idea as to how much revenue would be lost from the bill if his amendment is passed?

Mr. JAMES C. DAVIS. Yes. The amendment as it is in the Murray amendment would mean an increase in revenue of $53,400,000. This amendment would not take all of that revenue out. My guess would be, and it is only a guess, that it would take from this $53,400,000 maybe 40 to 50 percent.

Mr. MATTHEWS. I thank the gentleman.

Mr. GUBSER. Mr. Chairman, will the gentleman yield?

Mr. JAMES C. DAVIS. I yield to the gentleman from California.

Mr. GUBSER. Did I understand the gentleman to say that the Murray substitute carries with it a provision preventing the mailing of third-class mail between December 15 and December 25?

Mr. JAMES C. DAVIS. Yes. The Murray substitute carries that provision.

Mr. GUBSER. May I inquire as to the reasoning behind that? Was that to encourage the mail to be dispatched at a time other than the Christmas rush?

Mr. JAMES C. DAVIS. It was to encourage the mailing of Christmas cards prior to December 15.

Mr. GUBSER. But the Post Office Department is not required to handle third-class mail on a priority basis, and if they are burdened with other mail, they do not need to handle it at that time of the year, or is it a matter of storage?

Mr. JAMES C. DAVIS. As a matter of practicality, they know that Christmas cards must be delivered before December 25, and consequently they have always done that. But, they have worked that out, and they say they have handled it wonderfully well last year without that provision, and they can do it this year and all other years.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. JAMES C. DAVIS. I yield to the gentleman from Iowa.

Mr. JENSEN. We have, I think, in the neighborhood of a thousand of these so-called shoppers' guides. They send out papers generally once a week to all the box holders in the county or trade territory, and they pay 2½ cents a copy. Now, that is third-class mail. That is about the same rate paid for a heavy magazine sent from Boston to San Diego, Calif., for example. Simple justice demands that this inequality in rate should and must be corrected.

Mr. JAMES C. DAVIS. Well, in the short time I have here, I do not think I would be able to give the gentleman complete information on that, but I would refer the gentleman to this analysis of the proposed substitute and the committee bill, and you can see the rates here on third-class matter.

Mr. JENSEN. Yes. I have seen that analysis, and am not at all satisfied with it.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. CORBETT. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. CUNNINGHAM].

(Mr. CUNNINGHAM asked and was given permission to revise and extend his remarks.)

Mr. CUNNINGHAM. Mr. Chairman, and members of the committee, I personally would prefer the committee bill over the substitute proposed by the chairman if we must have a rate bill. I think it is a bill that does not please everyone, but it could be amended up or down to suit the wishes of the Congress. I favor it if it prevails, particularly because the committee in its wisdom added a provision to stop the free delivery to our people of Communist political propaganda. I am going to speak only briefly on rates, because I want to get into the other subject.

I want to say to this committee that this is a very technical and difficult problem. There are some people that say that the postal budget ought to be balanced. This is a new innovation. It was popularized by Mr. Summerfield when he was Postmaster General. I disagreed with him then and I disagree with the theory now. You are never going to be able to achieve a so-called balanced budget between outgo and income in the Post Office Establishment. It is a service institution. Following that theory to its logical conclusion, with all of the increases that are coming along—we are going to vote for a pay raise, transportation costs will rise, rent costs will rise, and so on—conceivably in 10 or 15 years we could have a 25-cent stamp.

So, you are never going to be able to balance expenditures and revenues. Therefore I discard that theory that we hear so much about. But that is not too important at the moment. We have gone at great lengths into rates at our hearings. I want to tell you that we raised the rates not too long ago. I am not going to oppose the amendment, if it includes the antipropaganda amendment, but I think there is something that we learned in our committee in which the Members of the House would be interested. You are raising the first-class rate from 4 cents to 5 cents on letters, and from 7 cents to 8 cents on air mail. This brings in the major portion of the additional revenue that is provided for in this bill. They are going to raise the rates on newspapers and magazines, which we call second-class material.

Mr. Chairman, I for one am not willing to penalize all of the little publications at the expense of the big daily papers who may be able to survive under the increase. But for every big daily that makes a lot of money there are probably thousands of little papers that are now just breaking even or losing money. Many of these little papers are run by man and wife, and they are going to be hard hit, if not put out of business.

Mr. Chairman, I have no brief for Life magazine or Time or Newsweek, or many other famous publications that we can think of which make money, but there are literally thousands of these publications that are not only losing money but are almost bankrupt. These rates can—and I think will—be the death blow to the small publications which are operated by small businessmen.

Mr. Chairman, with reference to third-class rates, which we call advertising mail, there is a story which has not been told so far as this great Nation of ours is concerned. They serve a legitimate function. Surely, perhaps you and I do not read all of the material that we receive under third-class mailing privileges. Perhaps people throw it into the wastebasket. However, figures will show, based upon testimony before the committee, that this advertising does produce business. First of all, it has to be prepared by small businessmen in a little printing shop somewhere, in a little direct-mail advertising operation somewhere, a little offset printing shop somewhere. They employ two or three pressmen or offset men. It involves the purchase of paper and materials and ink to print this.

Mr. Chairman, if only one or two people out of 10 that receive this material bought an article that was advertised, it certainly would stimulate and does stimulate business. But this increase may put them out of business. So, we are going to penalize the small businessman further. Therefore this is not a simple problem. It is a very, very complicated problem. I say that in our deliberations we should give serious consideration to this matter. There is not anybody that you are going to meet that is going to be happy about these postal rates and the increase that is proposed. This is in the form of a tax. Nobody likes to pay more taxes. We are all going back to our districts and are going to have to face that charge.

Mr. Chairman, I say that this budget can never be balanced in the Post Office Department. It never will be. It is a service institution, and it has to remain that way. Therefore I say to the Members of the House that you should give serious consideration to the very grave problem that confronts us at this moment, and which affects literally tens of thousands of small people, small businessmen.

As I said, we may believe Life and Time and a few others can pay more money, but there are only a handful of those; there are thousands of others that are on the brink of disaster. So you are going to make the richer ones richer and the little ones are going out of business. I do not think that is the trend that we should follow.

Mr. Chairman, I would like to speak about the anti-Communist proposal which has been mentioned, the amendment to the committee bill which from the parliamentary standpoint is before the Committee at this moment. We worked hard and long on this bill, as I said. We did not provide everything that everybody wanted, but we knew the

bill could be amended up or down to suit the will of the Members. But it did have a provision that said that no longer are we going to deliver free of charge, at the taxpayers' expense, literally millions of pieces of Communist political propaganda.

Mr. Chairman, the country is in a dither, it is excited, it is mad about the free delivery of Communist political propaganda. You do not have to take my word for it. Here are letters that represent just 1 day's mail, and they are coming in like this every day. I did not count them but they are in the thousands and from all over the country. The people are incensed over the fact that they are going to be callled upon to pay higher rates and still we permit this material to come in here without any charge whatsoever.

Under President Truman, and President Eisenhower continued President Truman's program, we did have some type of effective means of screening this material. That meant that when this stuff came over it was checked and the people to whom it was addressed were sent a notice that this was evidently propaganda; did they order it and did they want to receive it? More than 90 percent of the people said no, they did not order it, did not know how their name got on the list and certainly did not want it.

The CHAIRMAN. The time of the gentleman from Nebraska [Mr. CUNNINGHAM], has expired.

Mr. CORBETT. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. CUNNINGHAM. Mr. Chairman, I had hoped to get more time; I requested it, but did not get it but I thank the gentleman from Pennsylvania. There have been many figures about the volume of this Communist propaganda. Mr. Irving Fishman of the U.S. Customs Bureau said in 1958 there were 4,800,000 parcels, and a year later it was estimated by Mr. Fishman that 6 million parcels containing 10 million individual items came in. In 1960 it was testified that over 14 million packages or 21 million pieces were coming in.

Mr. Chairman, I want to say as a fact that nobody knows how much of this material is coming in. During the recess I spent most of my spare time checking into this, going to ports of entry, and let me say that when these figures are recited, they are only giving the amount of material that comes from Communist-bloc countries and they are only using figures for three ports of entry—New York, San Francisco, and New Orleans. First of all, more than 50 percent of this comes from Communist groups in the free world and they are not reflected in these figures. Secondly, there are 50 ports of entry in this country and there is a check made at only 3. They have checked only three of them and they do not have a staff to do a thorough job. That means that at 47 of these ports where the material may be coming in no check or inspection is made. There is no knowledge as to its volume.

There is positively no knowledge of the amount of Communist propaganda entering this country. No one in Government can supply this information, I am sorry to say.

I might add that the people are not only concerned that this material comes here but are equally, or, even more so, enraged that we should deliver it free and subsidize this inflow of Red propaganda.

I could stand here—I do not know if it is true—but I could stand here today and say 50 million pieces. I want to insist that these figures are not accurate. But nobody knows what they are, and nobody can dispute what I have just said to you here.

There have been committees of the Congress which have tried to reach this situation. They have tried to go after it through a different approach. We do not have to do that, this amendment is very simple and very clear cut and very definite. It can only come from the Post Office Committee. What we are doing here is working through the Universal Postal Union. This is a mail handling arrangement between this country and over 100 other countries throughout the world. We have a right to regulate the flow of anything that is adverse to this country. So all the anti-Communist proposal does is to place a section in that portion of the law involving the Universal Postal Union which says we shall no longer handle or deliver Communist political propaganda free of charge. I want to say this. The people of the United States are not only concerned that this propaganda is flooding this country in huge volumes—what incensed them is the fact that we allow it to be delivered free. I would not be so disturbed if we knew that what we send over there is delivered and distributed. But, ladies and gentlemen, it is not. So we are suckers here. We are distributing all their material which is going to our youth and to foreign language groups here while they are not distributing ours.

I had a man who came back from Russia just last week, just like many other people who come in and report to me because he knew I was interested in this subject. He went to three cities including Moscow. His primary purpose was to visit all of their newsstands to see what American material might be distributed or displayed. In not one single instance did he find any American literature, newspapers, or anything issued from this country except the Daily Worker. So I am saying to you, this is a matter of simple justice. This Universal Postal Union is a sort of treaty, unofficially; it is a mail handling arrangement. I am saying they have abrogated it unilaterally. We deliver their mail and we live up to the agreement, but they do not deliver and distribute our material and they do not live up to their agreement.

Mr. Chairman, there is much more to be said on this vital subject which I would like to say but unfortunately time is limited under the rule.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GROSS. Mr. Chairman, I yield to the gentleman from Ohio [Mr. HARSHA].

Mr. HARSHA. Mr. Chairman, Americans throughout the country are calling on Congress to end the subsidy given Communist propaganda. The time for the House of Representatives to act on this serious problem is now. Now is the time to put an end to this unholy situation. If we are going to ask the American taxpayer to pay higher postal rates—how in good conscience can we do this and not put a stop to the delivery and subsidization of such trash.

It should be obvious to everyone by now that we are engaged in a life or death struggle for survival with the international Communist movement. We cannot hope to prevail in this struggle unless all Americans in every field of endeavor are absolutely convinced beyond any shadow of a doubt that we are not engaged in a popularity contest with a competing economic system; that we are not faced with certain annoying adjustments which should be made so that we may coexist with a different system of government; but that we are now in a death struggle with an enemy the like of which we have never before encountered.

One of the most effective weapons used against us in this onslaught has been the intensive, massive, and vicious Communist propaganda assault on the United States.

Since 1948 the U.S. Customs Bureau has been under orders to screen Communist propaganda coming into this country and to intercept unwanted and unsolicited material. On March 17, 1961, this order was rescinded which now permits tons of Communist propaganda to flow freely throughout this country.

This propaganda is very cleverly and subtly written with the avowed purpose of brainwashing, warping, and destroying the minds of our citizens, both young and old. And the ironic, unbelievable fact is that you, the taxpayer, are subsidizing this effort to destroy the very thing you cherish the most—freedom.

High school and college students throughout the United States are supplied with Communist propaganda delivered free of charge by the U.S. Post Office. The House Un-American Activities Committee reported that "every school and college in the United States is directly or indirectly the recipient of some of these Communist propaganda publications." Thus, the Communists have discovered how to make American taxpayers finance a Red pipeline to the minds of our students.

The U.S. Bureau of Customs in a 12-month spot check of Moscow's literature through New Orleans counted at least 300,000 packages of Communist propaganda destined to schools and colleges. Each package contained 5 to 15 different publications of youth leadership for communism.

New Orleans is one of the lesser ports of entry from the standpoint of Communist propaganda. A heavier volume of this material is coming into the United States via approximately 50 other ports of entry.

The endless lists of our students are compiled and addressed through the World Federation of Democratic Youth,

a pro-Communist front organization, and by the International Union of Students in Prague, Czechoslovakia. Both of these major international Communist-controlled youth organizations publish at least 40 periodicals which are disseminated regularly in schools and colleges.

The Communists' propaganda campaign has all the priority and impressiveness of their missile program. Russia and Red China can produce about 3,600 million books a year, more than 1 book for every person on earth. The Senate Internal Security Committee reported:

> The various forms of Communist propaganda throughout the world involve a personnel of about 500,000 and an annual expenditure of approximately $2 billion.

This propaganda has created the intellectual climate for the San Francisco student riots against the House Un-American Activities Committee, for the movement of certain Smith College students in petitioning Members of Congress to curtail the activities of this committee, and for the mushrooming on the campuses of Communist fronts in support of unilateral disarmament, Castro, recognition of Outer Mongolia and Red China, and against nuclear testing, ROTC, and loyalty oaths.

Under international postal agreements, the country of origin collects the postage, and our mailmen deliver mail from door to door without any charge in the United States and our territories. With non-Communist countries, this is a satisfactory arrangement, because we collect postage here for mail going overseas. With Soviet-bloc countries this reciprocal agreement is a farce. Does anyone believe that Soviet Russia, the master of deceit and prevarication, will deliver first-class letters from the United States without first censoring them? Certainly we are not naive enough to believe she will deliver American propaganda to Russian citizens.

Our postal deficit for fiscal 1961 was approximately $843 million. Contributing greatly to this deficit is the great volume of Russian propaganda and mail shipped into this country. Less than half of this Red propaganda actually comes from Soviet-bloc nations. The balance comes from subversive groups within the so-called free world.

During the year 1960 there was imported into the United States from Soviet-bloc countries printed matter, whether or not prapaganda, averaging 1,341,298 pieces per month. To date there is no accurate count of how much comes to the United States from the free world. The lifting of the ban in March of 1961 will permit additional unsolicited tons of subversive material to be delivered to our citizens. No other country in the free world would permit Moscow's subversive material to be delivered at the expense of its own taxpayers.

Our greatest treasures are the minds of our youth. The future of America lies in their hands, and we certainly should not allow them to be unwittingly victimized by Communist propaganda subsidized and delivered by U.S. citizens and taxpayers.

To ask the American taxpayer to pay increased postal rates while at the same time permitting this Red propaganda to be distributed in this country free of charge is sheer hypocrisy.

If the free distribution of this propaganda were stopped, an increase in first-class rates would not be needed. To argue as the Post Office Department does that because we send out more mail than we receive is not a valid reason for continuing to accept Red propaganda. To accept such an argument is tantamount to saying that because we send out larger quantities of perfume we should continue to accept smaller quantities of poisonous gas.

During the balance of this session we shall hear impassioned pleas about how foreign aid is needed to defeat communism and how the President's request for authority to cut tariffs should be granted to combat communism, yet if this amendment is not accepted we will continue to subsidize the Red propaganda drive. It just does not make sense.

Members of the House, I earnestly urge your full support of this effort to stop the delivery of Communist propaganda. Let's save the minds of our citizens and youth from this destruction and at the same time help balance the postal deficit.

(Mr. ASHBROOK asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. ASHBROOK. Mr. Chairman, I certainly want to associate myself with the remarks of the gentleman from Nebraska [Mr. CUNNINGHAM] and the gentleman from Ohio [Mr. HARSHA]. I have joined them during the past year in the fight to block Communist propaganda mail from pouring into our country and being delivered free of charge. My own bill, H.R. 9281, will be largely adopted in the postal rate bill we are considering today. It is a companion bill to those introduced by the gentleman from Nebraska [Mr. CUNNINGHAM] and the gentleman from Ohio [Mr. HARSHA].

I believe that every Congressman found an aroused citizenry at home during the recess last fall. People are absolutely unable to comprehend why the Kennedy administration has opened the dike to this flow of poisonous propaganda. It is but one of the appeasing overtures that have been made toward our professed and undeniable enemy, the Communist bloc. I am very pleased that we today will strike a blow which has been needed for some time and I hope the sentiment expressed will serve as a call to our State Department and administration to stiffen its posture in our dealings with the enemy.

Mr. BEERMANN. Mr. Chairman, I am very pleased that the administration is so concerned about balancing the budget. It is a concern many of us have held for many years, and I, for one, am delighted to have this new and welcome company. I am tempted to take heart at this great affection for a balanced budget, but I cannot. The approach is not the right one. The amendment introduced by the gentleman from Tennessee [Mr. MURRAY] is a "spend more, and tax more" approach to balancing the budget. It overlooks completely that the Post Office needs modernization and efficiency. Last summer, the Deputy Postmaster General, Mr. Brawley, said $300 million could be saved by modernization. I would like to see that done without delay.

A businesslike operation in the Post Office does not mean only that the income balances the outgo. It means that the Post Office operation is carried on at the lowest possible cost for which the best service can be provided.

There is another thing that bothers me about this sudden get tough policy by the administration. It is a get tough policy that again is toughest on American private enterprise. There seems to be a pattern of trying to make it just a little more difficult for businessmen to operate. This pattern is all too plain in Agriculture, where the schemes of the Secretary are trying to put all farmers under the tight control of the Federal Government.

In this postal bill, we are jeopardizing a very important segment of American business—the free press. I notice from advertisements in the newspapers during the past week that both businessmen and their employees are worried about whether or not magazines and small newspapers can survive another set of postal increases. We all should know they are paying twice what they did for postage 10 years ago.

This leads to the most important point that my colleague, the gentleman from Nebraska [Mr. CUNNINGHAM], is trying to make. The United States is subsidizing Communist countries like Yugoslavia and Poland, and very questionable neutrals like India and Indonesia, while getting tough with American business. This gets to be pretty silly. Here we are, considering a measure that seems likely to eliminate a part of America's great free press, and subsidizing through our foreign aid the controlled press in Communist countries. And if this is not enough, we are delivering free—in the United States—the very propaganda that is seeking our downfall.

I wholeheartedly agree with the gentleman from Nebraska [Mr. CUNNINGHAM]. Why in the world do we dare allow our Post Office Department to deliver Red propaganda at our own expense—or if you please, by using some of the money we hope to get by increasing the rates on second class mail? I will absolutely have nothing to do with a postal-rate bill until we stop delivering Communist propaganda through the mails. I think the Members should join in insisting that any consideration of higher postal rates should be based on adoption of the amendment just presented by the gentleman from Nebraska [Mr. CUNNINGHAM].

One more thing. We should not overtake what might happen to what is left of our farm newspapers and magazines. Some, while doing great work for the American farmer, are just hanging on, and I am fearful of what the added expense of a big increase in postal rates would do.

I have been reading some university extension service surveys to find out where farmers get their information on new farming techniques. In other words, where do they learn? Some of you might be surprised to discover that in every research project, farm newspapers and magazines were the principal source of information. Farmers even relied on farm magazines more than on their county agents, and certainly more than on Government handouts.

The farm publication is the greatest ally the people have against the planners who constantly try to manipulate and control American agriculture. Here the vital area is information—not as the Department wants us to have it, but pure information. For every farm publication that disappears, there also disappears a little bit of freedom, and there is a little more dependence upon the Government's adulterated propaganda.

Farm publications are particularly endangered, because they are not sold on the newsstands. They are delivered on rural routes, and no one has yet devised a way to make rural routes pay their way. Farm publications likewise must use the mail to solicit subscriptions, and to handle renewals. They are dependent on the postal systems. They are dependent on low second class rates that have been basic to a free press in America since our country was founded.

Mr. Chairman, we must not be stampeded by the crocodile tears of the administration whose pious claims of budget balancing are misleading and which avoid the real issue. Let us join the gentleman from Nebraska [Mr. CUNNINGHAM] in making the elimination of Communist propaganda from our mails a prerequisite to consideration of postal rate increases.

Mr. WALLHAUSER. Mr. Chairman, the balancing of the budget is important to maintain the fiscal integrity that has helped our great Republic to grow so influential and important in world affairs.

A raise in postal rates is but one step that can be taken to accomplish this objective. Another is a reduction in the operating costs of the Post Office Department. An important reduction can be effected, I believe, if the Communist propaganda that is flooding our ports of entry remain undelivered free of charge.

An important step for this Congress to take, in my opinion, is to provide the tools that will enable the executive department to legally close off the flood of unwanted, unrequested mail that our citizens are being exposed to.

Mr. MURRAY. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. HENDERSON].

(Mr. HENDERSON asked and was given permission to revise and extend his remarks).

Mr. HENDERSON. Mr. Chairman, it is my intention to support the amendments which the distinguished chairman of the Post Office and Civil Service Committee, the gentleman from Tennessee [Mr. MURRAY] will propose when the bill is read for amendments.

The gentleman from Tennessee's [Mr. MURRAY] amendment, as he has explained, includes the same postal rate provisions and public service policy contained in H.R. 7927 when I introduced the bill on June 29, 1961. As explained in my statement at page 11002 of the CONGRESSIONAL RECORD for that day, my bill was introduced by general agreement of the Committee on Post Office and Civil Service so that its provisions could be considered by the committee in detail, after I had informally discussed, at a committee meeting the previous day, certain rate and public policy revisions that I felt might be a suitable compromise in lieu of the original postal rate bill, H.R. 6418, which was based on an official recommendation of the Post Office Department.

My suggestions for compromise provisions were developed after careful review of the extensive record of public hearings and the deliberations of the committee in executive session on H.R. 6418. I felt then, as I do now, that the public service formula and the rate revisions in my bill, which are now contained in the amendment to be proposed by the gentleman from Tennessee [Mr. MURRAY], represent a fair, moderate, and effective measure to establish a firm and lasting foundation for a postal rate structure which will return postal revenues equal to postal expenses, after a suitable writeoff of expenses to public service, and will ascribe postal costs to the various classes of users of the mails in an equitable manner, with full consideration to the value of the service they receive and the costs incurred in rendering that service.

The Postmaster General officially reported last year, and again has reported with respect to the proposed Murray amendment, that H.R. 7927 as introduced, and the amendment, provide the very minimum postal rate adjustments which should be enacted. In my judgment, approval of the Murray amendment is essential if we are to meet the issue of fiscal responsibility. These proposed increases have been developed after full consideration of the many issues brought out in our public hearings last year on the postal rate question.

I am very gratified to note, also, that one of the strongest impediments to final action on postal rates last year, evidently has been removed by assurance we have received through a public statement by the chairman of the Post Office and Civil Service Committee of the other body that he will schedule prompt action on postal rate legislation, including an appropriate public service policy, when such legislation is passed by the House.

The amendment to be proposed by the gentleman from Tennessee [Mr. MURRAY] includes a firm, effective, and highly equitable provision which will relieve users of the mail from any burden for the costs of public services performed by the Postal Establishment such as free-in-county mail, free mail for the blind, and mailings at special reduced rates by qualified nonprofit organizations.

I became convinced while in my district during the recess that the overwhelming sentiment, of the people I represent, is that if we in the Congress find it necessary to increase first-class postal rates, we must also increase second- and third-class mail far more than is proposed by the bill, without the adoption of the Murray amendment.

I recognize that some of the second- and third-class uses of the mails will find the increases to be a heavy burden, but any postal rate increase will probably do this, and the present burden of the postal deficit upon the taxpayers is also of great concern.

I believe that when the Murray amendment is passed by the House it will be acted on promptly by the other body, so that the additional postal revenues which the President of the United States has given first priority among all new revenue measures this year will be assured as a first step toward the anticipated balanced Federal budget for the fiscal year 1963.

I hope that the membership will give its overwhelming support to the Murray amendment.

Mr. GROSS. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. BROYHILL].

Mr. BROYHILL. Mr. Chairman, I rise in support of a balanced Federal budget. I would like to have been able to state that I rise in support of H.R. 7927 as reported by the Committee on the Post Office and Civil Service, but I do not think that the bill is sufficient, that it does the job well enough. The gentleman from Tennessee [Mr. MURRAY] will offer an amendment that will be an improvement. I will support that amendment, but I still do not think the bill even as amended will do the job that ought to be done.

As has been stated by previous speakers, this is a controversial and complicated measure; it is confusing, but there is no easy solution to the problem. I think that we can agree on two things. First of all, that there is no such thing as a perfect postal rate bill. It would be impossible to come up with a measure that everybody would agree with, a meassure that would not affect some segment of our economy adversely or in which some industry would not be hurt. That is what suggests a compromise as a solution to the problem, and that is what we are atempting to do here today.

The Postmaster General did submit what I thought was a good bill, one that would meet the problem head on. It would raise the postal revenues in the amount of $741 million a year. But that was turned down by the committee. The committee reported a bill to the House that would raise revenues approximately $550 million, but it placed too much of the increase on the first-class users. The Murray amendment would help correct that inequity.

Another thing we can agree on is the fact that the deficit in the Post Office Department has to be met. Somebody has to pay for it. There are three ways that we can make up that deficit in the Post Office Department. One is to add it on to the national debt; two, charge it to the taxpayers in general; and three, have the users of the mail pay for it.

Insofar as adding this on to the national debt is concerned, we are now approaching a national debt of approximately $300 billion. It may be necessary at certain times to increase our national debt in order to meet any threat to our survival; but I think it is unconscionable in a time of progress and prosperity to pass on the deficit of operating the Post Office Department to future generations. That is exactly what we have been doing since the end of World War II. In fact, we have a total postal deficit since 1946 in the amount of $7½ billion. There has been an increase in the national debt since 1946 in the amount of $18 billion, not including the deficit for the current fiscal year. Regardless of how much you juggle the figures, the net effect is we have passed on the entire postal deficit since World War II to future generations to pay.

So far as charging this to the general fund is concerned, or having the taxpayers pay for it, may I ask, Who is this benevolent taxpayer we are asking to pick up the tab? Is it the individual who has withholding taxes deducted from his paycheck? Is it the corporations? Is it to come from inheritance taxes, excise taxes? I say that there have been plently of complaints already about the inequities in our general tax structure. In fact, it is a question of whether we have reached the point of diminishing returns.

The President, I understand, has asked for authority to actually reduce some of the income taxes. The funds are not available from the general revenue to make up this deficit. That would seem to be the easy way out, but it is the wrong way.

The fairest alternative is to have the users of the mail pay for it. It makes no difference whether we consider the Post Office Department a business or service. If it is a service, then it is the best bargain that the American people can receive, regardless of whether we consider the charge for use of the mail as a tax or not. It makes no difference. There is no better way of charging for this postal service than to charge it to the mail users. It is the thing that benefits so many people. Then in direct proportion to their benefit in the use of the mail, they should pay for it. Why pass the buck? Why not charge it directly to the users of the mail service?

I think that the American people overwhelmingly support that principle. I think they are willing to pay for this postal service that they receive. That has been the historical tradition since the turn of the century. From 1900 up until World War II the average postal deficit was $33 million a year, and, incidentally, that included all subsidies—airline subsidies in the amount of about $75 million, frank mail to Members of Congress, free mail to various Government agencies. We have since that time taken that out of the postal budget, yet the amount that the cost exceeded the revenues this year is amounting to $832 million, even with all of these subsidies removed. The cost of living since 1932 has increased by 118 percent. The cost of delivering mail has increased 130 percent, but yet in the first-class mail we have only increased the rate, the charge to the users as beneficiaries, 33⅓ percent. So I think it is fair and equitable to pass on some of the increase on to the principal users, the principal beneficiaries of the mail.

Mr. Chairman, there is no easy solution to this problem, as I said before. There has to be some give and take; there has got to be some compromise. I think, again, that the amendment offered by the chairman of our committee, the gentleman from Tennessee [Mr. MURRAY], is a good compromise. The administration supports it. It does not do the job, but it still helps to solve this problem somewhat. We will still have some deficit, regardless of whether we charge it as a public service or not. We will still have some deficit which today you are charging on to future generations.

Mr. MURRAY. Mr. Chairman, I yield 5 minutes to the gentleman from Montana [Mr. OLSEN].

Mr. OLSEN. Mr. Chairman, I voted against the gag rule that was attempted last September. I wanted to amend upward some of the rate provisions in the bill that was presented, that is, the committee bill that was presented last fall. I had some other faults to find with that bill, and today I would be happy if we were considering the committee bill and I had the opportunity to present amendments to that bill. I do not find fault with my chairman and his procedure, but it kind of shortcuts some of the things that I would like to do. There is an increase in rates in the committee bill which I am for, but that increase is being eliminated in the Murray amendment. Mr. MURRAY's amendment would have no increase applied to the controlled circulation magazine. It would be the only class that would not have a substantial increase. The committee bill would increase that particular class $1.3 million. Mr. MURRAY's amendment would have a minimum charge on that class that would bring in perhaps an increase of $100,000.

Now, in every other class there is an increase of a substantial amount except that one. I wish that we were considering the committee bill that had been considered after all, for 7 months and had put an increase on that class and had put an increase on every class. As I say, perhaps all the Members are not content with all of the increases, but if we had the committee bill, we could increase where we wished.

Now, I think that the original committee bill, that is, the bill before us, does not increase second or third class as much as perhaps it ought to. On the other hand, I think that Mr. MURRAY's amendment is, in fact, a kind of Post Office Department bill that is too high in the class of newspapers that are doing business in my district.

Mr. Chairman, newspapers in my district do not have so much advertising or so much weight, nor do they receive such a revenue for a page of advertising as one of the great newspapers or magazines in more populated areas. Therefore I do not think that a 1-penny-per-piece charge—an increase, if you please, of 1 penny per piece on each newspaper in my area—should be the same as the per-piece charge of the larger, wealthier publications in a more populated area. There is a difference in the kind of service that the larger publications with a great deal more expensive advertising receives as compared to the kind of service received by the publications in my area.

Mr. Chairman, as a matter of history we have a law under which we have been increasing the rates for these kinds of publications on a per-pound basis—pound rates, if you please. There is a pound rate on the editorial matter, and there is a higher per-pound rate on the advertising material. In that way the load is with respect to the weight of the advertising and the weight of the editorial material in the respective kinds of publications.

Mr. Chairman, I think that that historical method of assessing the charge against newspapers and magazines is the one we ought to stick to, and that is the method that is in the committee bill which is before us. If there should be an increase, let us increase it by the historical method.

Mr. Chairman, I am of a mind to support the amendment that my friend, the gentleman from Georgia [Mr. JAMES C. DAVIS], plans to offer. However, if it fails, I have an amendment that will be a kind of compromise between the committee bill and Mr. MURRAY's amendment. My compromise would give recognition to the fact that we should emphasize the pound rates rather than the per-piece charge, and I would suggest a small per-piece charge as well. The amendment which I will offer is estimated to bring in about $41 million, according to the Post Office Department figures, as compared to the chairman's amendment of $53 million.

Mr. GROSS. Mr. Chairman, I yield for a unanimous-consent request to the gentleman from Michigan [Mr. JOHANSEN].

Mr. JOHANSEN. Mr. Chairman, the gentlewoman from New York [Mrs. ST. GEORGE], who is a member of the Committee on Post Office and Civil Service, is unavoidably absent.

Mr. Chairman, I ask unanimous consent that her remarks in support of the Murray substitute amendment may be entered in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mrs. ST. GEORGE. Mr. Chairman, I support the amendment offered by Chairman TOM MURRAY. This amendment substitutes a more realistic postal rate increase bill than the one approved and reported by the House Post Office and Civil Service Committee.

At the outset, I should like to explain that for several years prior to 1961, the Eisenhower administration had submitted legislation which was designed to eliminate a major portion of the postal deficit. Since 1959, this deficit has

quickly risen from over $600 million annually to $832 million annually in 1963. During those years prior to 1961 those of us who supported a postal increase bill could not get the Democratic leadership of the House to permit the bill to be voted on. I am pleased, however, that conditions have changed and that the present leadership in support of its President must now agree to fiscal integrity in postal operations.

In those earlier days there were only a handful of us, including the distinguished chairman of our committee, who recognized the need to reduce the tremendous postal deficit which was increasing our national debt at the rate of from $600 to $800 million annually. Our delay in favorably acting on this legislation has meant that an unnecessary financial burden will be placed on future generations. In fact, our failure to act for more than 3 years has resulted in increasing the national debt by almost $2½ billion which is a substantial portion of the President's requested increase in the national debt ceiling. It is not my purpose to discuss the mistakes of the past or to remind my colleagues of their failures to face their responsibilities in former years.

If a postal rate increase bill had been approved several years ago when President Eisenhower requested its enactment there would not now be the need to consider the enactment of this measure which is before us today.

I have observed in the press comments to the effect that the enactment of this legislation is necessary if the President's budget is to remain in balance. I am unimpressed by this argument. It is my view that there are many items of expense in the President's budget which are unnecessary and should be eliminated. The principal reason for supporting Mr. MURRAY's amendment and the postal rate bill generally is because it will, in large measure, eliminate the unconscionable postal deficit and will fix rates and charges which the users of the mail should pay for the services they receive.

A large portion of the revenue raised by Chairman MURRAY's proposal will come from first-class mail rate increases. According to the information which we have received, for many years the principal users of first-class mail—that is, 75 percent of first-class mail—are the business people of our communities, and only a small fraction of the total volume of first-class mail is originated in the homes of our Nation. With the increase from 4 to 5 cents for first-class mail, there will be only a modest increase in the expenses of the average family which is estimated at about $1.80 a year.

Another basis upon which I support Chairman MURRAY's proposal is that it proposes a more fair and equitable rate increase for second- and third-class mail as compared to first-class mail. In the committee bill a greater bulk of the rate increase would fall on the first-class mail user and a disproportionate share of the increase would be allocated to second- and third-class mail. However, under Chairman MURRAY's proposal which failed by only one vote of receiving approval by our committee the revenue from second-class mail would be increased from $21 million to $53.4 million annually.

With respect to third-class mail which the Members know are circulars and advertisements which we all receive in quantity, the committee bill proposed a revenue increase of $57.3 million annually while Chairman MURRAY's proposal would increase this amount to $93 million annually. This is accomplished in large measure by increasing the minimum per piece charge for this class of mail from 2½ cents to 3 cents.

The remaining major difference between the committee's bill and the proposal of Chairman MURRAY is that the public service items enumerated in the Postal Policy Act would be established at approximately $248 million annually as compared to $342 million annually in the committee bill. In my opinion, Chairman MURRAY's proposal is more realistic and more equitable with respect to the provisions relating to public service items.

Thus, in terms of actual revenue the substitute bill of Chairman MURRAY would increase postal revenue $622 million annually while the committee bill would raise only $551 million. In summary I would suggest that the Members should support the measure which is proposed because it would provide a more fair and equitable rate adjustment for all classes of mail and would eliminate criticism of Congress for approving a measure which levied most of its increases in the first-class mail category.

Lengthy hearings were conducted by our committee last year at which time an opportunity was given to all the mail users to testify and present their views and, in addition, we heard the views of the Postmaster General and his staff.

It should be pointed out that the views of this administration are not unlike the views of the former administration.

I am pleased to learn of the general support which is being given this postal rate increase legislation. I hope its enactment does not provide a license for the administration to spend the new revenues which are raised in wasteful or irresponsible ways.

I should not be in favor of this measure if I felt that this would be the result. I am hopeful that those who are conducting the affairs of our Postal Establishment are firm in their belief—as were their predecessors—that the postal service should more nearly pay its own way and that the users of the mail should pay their fair share of the expenses for the services they receive.

Arguments have been advanced in favor of postal rate increases that almost every other major nation of the world provides a postal service with rates designed to pay for costs. I am not certain as to how compelling this argument is but I do feel that certainly the people of this Nation can afford a postal service without a deficit of $832 million annually in its operation.

Those of us who believe in fiscal integrity cannot turn our backs on this problem. I certainly welcome those Members and administration leaders who in the past few years have had a change of heart and now join with us in our endeavor to put the postal service of the United States on a sound financial basis. As I said earlier, I regret we could not have their help before this year because we would have relieved future generations from facing an increase of many billions of dollars in our national debt.

I earnestly solicit the Members to support the amendment of the conscientious and able chairman of our committee, the gentleman from Tennessee [Mr. MURRAY], and I hope that his substitute will be approved without any amendment which would distort the rate structure of the bill which he has proposed.

Mr. GROSS. Mr. Chairman, I yield to the gentleman from Washington [Mr. PELLY] for the same purpose.

Mr. PELLY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. PELLY. Mr. Chairman, I would be less than honest if I did not express agreement with those Members of the House who take the position that in the interest of fiscal responsibility some adjustment in postal rates is overdue. Like other Members, I have been analyzing this situation. Certainly the amount of the deficit—the postal deficit exceeds $800 million—is unconscionable.

Certain experiences, Mr. Chairman, that I have had with the management of the post office, however, indicate that higher postal rates is not the only answer to this problem. There is an angle of management policies and practices. I have very much in mind, for example, that for years, in the interest of economy, I have sought competitive bids for carrying the mail to the Aleutian Islands. Instead of that, the Post Office Department has a sorry record of negotiating with their own favored individual contractor. I might cite, for example, that at one time bids were delayed and specifications were set up in order to prevent any except the one favored bidder from entering a responsible bid. In this case, shortly after his bid was received and accepted, the Department quietly negotiated an increase in his contract. Also, the Department supported legislation that would have established by law a virtual monopoly for this one individual.

If there are other situations such as the experience that I have observed with the carrying of the mail to the Aleutian Islands, certainly politics, favoritism, and I sometimes suspect actual corruption would contribute to the Department deficit. Last year, in connection with this same route, in response to my request the Postmaster General announced that the Department would award the contract by public bidding. Subsequently, this decision was reversed and the incumbent contractor was given the contract in the face of the fact that four other individuals had advised me that they wanted to bid. What is more, the favored individual was to use a vessel which was almost identical in size and

capacity with one which years ago had been declared inadequate. Of the 12 postmasters in the Aleutian Islands, all but one had indicated that service by this particular contractor had been unsatisfactory, yet the Post Office Department maintained that they had never received any complaints.

Consequently, I cannot help but feel that a substantial part of the postal deficit may result from practices such as this and ill-advised policies under political management.

However, Mr. Chairman, my problem has been also one of trying to decide in my own mind which of the respective proposals, if any, I could justifiably support, either the bill that was reported out of committee last year, H.R. 7927, or the administration's proposed amendment known as the Murray bill.

At the outset, let me say that H.R. 7927 as reported by the committee last year contains the so-called Cunningham amendment, which would reinstate the ban against distribution of Communist propaganda from abroad. In other words, on March 17, the Kennedy administration lifted the ban which had been ordered by President Truman and continued by President Eisenhower on unsolicited Communist propaganda being distributed at the expense of the American taxpayers in the United States. Personally, I favor the Cunningham amendment to the degree, and regard it as so important, that I cannot and will not vote for any bill that does not contain it, so if the Murray bill is offered as a substitute and no provision is made to ban Communist propaganda, I shall vote against the entire bill.

I have heard, Mr. Chairman, that the political situation is such that the high rates in the Murray substitute are favored by the administration under a plan whereby when this legislation goes over to the other side of the Capitol and is considered by the Senate, these rates will be cut back. Of course, Mr. Chairman, I would not infer that the administration was ever politically motivated or would stoop to such a scheme to help one of its favorite sons whose political fences may need mending. I, for one, Mr. Chairman, do not propose to aid or abet any such plan, if actually there is one, but disregarding such an undocumented allegation, I think that there is a real argument in favor of the committee bill as against the Murray substitute. Admittedly, it would not have such dire and adverse effects on certain businesses that use the mail almost completely. I have been told by representatives of the Post Office Department that the Murray substitute would put a great many small enterprises out of business, while H.R. 7927 would be less harsh by putting into effect modest increases in rates over a period of 3 years.

Mr. Chairman, I frankly do not know at this time how I am going to vote but I do want to make clear that neither bill seems to afford adequate protection to certain third-class postage users and I expect to support an amendment for a new type of bulk third-class rate for regular publishers who mail their publications at intervals as frequently as 26 times a year. This amendment, I understand, will be introduced by our colleague from Maryland [Mr. MATHAIS] and would save weekly newspapers across the Nation from being put out of business. I believe that the Post Office actually makes a profit by delivering weekly newspapers by third-class mail, because the newspapers themselves do all the preparatory work.

Mr. Chairman, as I have been informed, the administration proposal for postage increases anticipates a surplus even after allowing for a pay raise for postal workers. Now, I am the last one to object to surpluses, but I cannot feel that there has been enough thought given as to the adverse effect on business of this legislation. Of course, I have in mind that 75 percent of first-class postage is paid by businesses which in turn is tax deductible. Therefore, it seems obvious that three-quarters of the reduction in the postal deficit in the first-class category will be substantially offset by lower income taxes. Then in turn the deficit in the second and third class is all business, so again, approximately 52 percent of the postal rate increases would be offset by lower income taxes. Consequently, the overall net return to the U.S. Treasury by this legislation is not nearly as impressive as the administration would have us believe.

As for my position, Mr. Chairman, I want to reemphasize first that I am unalterably opposed to any bill that does not contain the provision to ban Communist propaganda from abroad being delivered by the Post Office Department.

Secondly, I cannot vote for a bill with provisions so harsh that it would make it impossible for many small businesses to survive. As the debate proceeds today and after amendments are offered, I shall diligently try try to determine the merits of the final version of this legislation. Then, if I can in all conscience do so, I shall support legislation to increase postal rates on a fair and reasonable basis. Otherwise, I shall be forced to vote against the bill on final passage.

Mr. GROSS. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. ROUSSELOT].

(Mr. ROUSSELOT asked and was given permission to revise and extend his remarks.)

Mr. ROUSSELOT. Mr. Chairman, I rise in support of the Murray substitute amendments, though I would have preferred, myself, to support the committee bill, known as the Henderson bill—H.R. 7927—which I think was a more adequate bill.

Mr. Chairman, I am especially pleased to see that we have maintained what has become known as the Cunningham anti-Communist literature section of the bill. Last year I introduced here in Congress H.R. 9455 which was very similar to the section which the gentleman from Nebraska [Mr. CUNNINGHAM] has succeeded in placing in the bill voted out by the Post Office and Civil Service Committee and which the gentleman from Tennessee [Mr. MURRAY] has also included in his substitute provisions. I was privileged to have the opportunity to cosponsor with the gentleman from Nebraska [Mr. CUNNINGHAM] this particular section known as section 11 at the time the committee bill was being put in its final stages in executive session. This anti-Communist mail provision will go a long way in allowing the Post Office Department and the Attorney General to prevent the continued influx of large amounts of Communist literature into this country which in many cases is directed to our youth, various church groups and other fine American segments of our society which do not realize that it is, in effect, poisonous Communist literature.

Mr. Chairman, this literature reflects the technique that the Communists constantly use, at the expense of the taxpayers of our country, in trying to mentally condition our citizens to accept their insidious propaganda.

I believe that the gentleman from Nebraska [Mr. CUNNINGHAM], the gentleman from Tennessee [Mr. MURRAY], myself and others have done a great deal of research to be sure that there are adequate built-in protections to prevent unreasonable censorship. This anti-Communist liteurature section provides for a proper method of screening this literature through the Attorney General's office at the various ports of entry in this country. There are over 50 ports of entry and unless Congress takes this strong positive action, the screening process will only continue on a very loose basis in a small number of these ports of entry. This provision in the bill places the responsibility in the Attorney General's office to set up adequate facilities to screen out and identify Communist propaganda entering this country and yet does it in a way that constitutional rights are protected.

Mr. Chairman, I heartily support the Cunningham-Rousselot section of this bill, and I believe that the Committee on Post Office and Civil Service has shown great wisdom in including it in the bill. I am also glad that the gentleman from Tennessee [Mr. MURRAY] in his wisdom has decided to include it in his amendments.

Mr. MURRAY. Mr. Chairman, I yield 5 minutes to the gentleman from Arizona [Mr. UDALL].

(Mr. UDALL asked and was given permission to revise and extend his remarks.)

Mr. UDALL. Mr. Chairman, I am happy to see the bipartisan support for the amendment to be offered by the chairman of this committee. I think this is as it should be, because his amendment is essentially the proposal that President Eisenhower urged on the House and the Senate for many years.

Mr. Chairman, we are faced with a deficit—call it what you will. The plain fact remains that the Post Office Department takes in less, by $900 million every year, than it has to pay out. This, like the unwanted cat, is going to be on our doorstep unless we do something about it in this debate.

One of the interesting things to me about this proposal is that no one is happy about it. I do not think there is a Member of the House who says that "this is the bill just the way I want it." I agree with the gentleman from Virginia and others who would go further

in the increases on the second-class and third-class mail. The first-class users point the finger at second- and third-class users and claim they are getting an unfair break. The third- and second-class users say, "You are putting us out of business, put the increase on the first class."

To me this is some indication that maybe we have a fair bill, when none of the various people who are asked to pick up a share of the burden are happy about it.

Mr. Chairman, I have been deluged, as the other Members have been, with these black-bordered ads announcing the late departure from this world of 80 magazines. I feel somewhat like a mortician today. My face is not always this long, but they have brought tears to my eyes. I do not quite know where to send the flowers or where to find the widows to whom to extend sympathy. But I will say to these people that there were 110,000 bankruptcies in this country in 1960. They do tell you in small print under the asterisk in this ad, that these are not magazines alone which have died, these are deaths and mergers. That is what they tell you in the small print The newspapers and magazines are accustomed to give lectures on the benefits of a free enterprise society. I would say to them that this is a free enterprise society. If you have six drugstores in a community that can only support three, three of them are going to go under and the ones that remain are the efficient ones, the ones for which there is an economic need.

I do not want to sound harsh. It is harsh on the people who lose jobs; who have to go out of business. But none of us in this country, as long as we have this economic system, is guaranteed a job or that his business will succeed.

To my friends who support the first-class users and say we should not go higher, I say to you that a first-class stamp at 5 cents will be the best bargain in America. It was 3 cents in 1932. Everything else has doubled, wages and prices, but the first-class stamp has gone up only 33 percent. For 5 cents, if this bill passes, you will be able to send to any State or to any country, mail that is secret, that has priority service; and neither the President nor any committee of this House nor anyone else can open that letter. This is a real bargain. If we had no postal service and you wanted to get a message someplace you would pay much more. So I do not believe that the first-class amendment is unjustified.

Let me say to the third-class mail users that the housewives of America are tired of being the conveyor belt between the mailbox and the wastebasket. His is not a question of the special consideration we have traditionally given to newspapers and magazines; they perform an essential service in the exchange of information; they help our country to be strong. This is essentially a commercial enterprise for profit and today you only pay about two-thirds of the cost to the Postal Department for handling this mail. If the argument that the third-class interests make is good, then I suggest that they go to the man who supplies them with envelopes and tell him, "We cannot pay you $10 per thousand, your cost of the product, or even $10.50, so you can make a profit. We will only pay you $6. You must take a loss so I can make a profit." Third-class mail is essentially a commercial enterprise. I do not think the argument is valid, and I say to the third-class users, even under this bill you will still be paying only 85 percent and there will still be a 15-percent subsidy to the third-class mail industry. So, Mr. Chairman, I know it is not easy to vote for additional revenues. It is always easy to hand money out with one hand or with both hands. It is hard to impose essential revenue-raising measures and, yet, we must act and we must do our duty in this instance and do what has to be done.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CORBETT. Mr. Chairman, I yield such time as he may desire to the gentleman from Washington [Mr. TOLLEFSON].

Mr. TOLLEFSON. Mr. Chairman, I am glad to know that the House will have an opportunity to express itself with regard to the question of whether or not the pending postal rate increase bill should contain a provision negating the Presidential order of last year which permitted the entry into our country of Communist propaganda and the free delivery thereof by our postal system. It seems strange that while we are engaged in great ideological battle to the death with the Kremlin we should permit the free use of our postal system which together with our whole system of government the Communists seek to destroy.

I will not vote for any postal rate increase measure unless it contains language which will prohibit the free use of our postal facilities for the distribution of Communist propaganda. Whether or not I vote for any rate increase bill will depend upon the manner and degree in which rates are increased, but in any event the bill in its final form must contain the above provision so far as I am concerned.

Mr. CORBETT. Mr. Chairman, I yield to the gentleman from Washington [Mr. HORAN] for such time as he may desire.

Mr. HORAN. Mr. Chairman, nobody denies the need to bring this unwieldy Post Office deficit under control and, of course, the main directions we must move in are just rate increases and reduced costs of operating the Post Office Department.

However, to me, the overwhelming persuasion is the forthright section of the bill which allows un-American propaganda from all over the nonfree world to be carried free in this country.

That this arrangement is not reciprocal in its operation merely adds greater conviction to any decision in this matter.

Mr. CORBETT. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. DERWINSKI].

(Mr. DERWINSKI asked and was given permission to revise and to extend his remarks.)

Mr. DERWINSKI. Mr. Chairman, since the bill before us differs substantially from the proposal originally placed before the House, I feel it necessary at this time to clarify the issue. Regardless of any statements made by the Post Office Department or their congressional spokesmen here this afternoon, the bill before us will not effectively balance the Post Office operations.

The public service feature of the bill is purely fictional and basically deceives the public into thinking that through this postal rate proposal, we will end the Post Office deficit.

The facts are that the substitute offered by Chairman MURRAY will still leave the Post Office with a deficit in the vicinity of $300 million. In addition, the longevity bill vetoed by the President last fall has been reintroduced and when passed on the heels of a rate increase and approved by the President, will add over $60 million to the cost of postal operations.

In addition, this being an election year, a salary increase for Post Office employees is a certainty. Bills have been introduced calling for a 14-percent increase, which would cost the Post Office $490 million. Even if we could assume that the increase will be restricted to approximately 7 percent, the combination of increased costs plus the deficit that remains if the bill before us is passed in its entirety, will still leave the Post Office with a deficit of $600 million.

I insist that we tell the public the truth that we are raising rates on first-class and airmail since this is the path of least resistance. The increase in second- and third-class mail and the nonlegislative adjustments in parcel post are token measures in comparison to the 25-percent increase that the users of first-class mail will bear.

Mr. Chairman, the public would not object to an overall increase in postal rates if the end result is the elimination of the postal deficit. After all, the deficit comes out of their pockets as taxpayers, but I do believe that the Congress should provide the public, as I have indicated, with a clear explanation that despite the postal rate increase, our Post Office Department will continue to operate under a substantial deficit at the expense of the American taxpayer.

Personally, I feel that we would be following the wisest course of action by substituting the provisions of H.R. 6418, the original amount requested by Postmaster General Day. This would raise an additional $140 million in revenue. If we would then continue on a consistent path and develop practical salary increases based on performance and job standards, we could keep the Post Office deficit within minimum figures.

Obviously, I stand in a hopeless minority when taking this position since it is apparent that the temper of the Congress this year will be to restrict the rate increase, expand the postal salary increase, leaving as the end result a continued deficit of at least $600 million.

However, another aspect of this bill before us deserves as much if not more attention, and that is the Cunningham amendment to prevent the flow of Communist propaganda into the country through the U.S. mails. I have personally investigated this Communist propaganda and have spoken with dozens

of recipients who have received this unsolicited mail containing glorious descriptions of Communist accomplishments and sharp criticism of the United States and its free world allies.

There is no reason whatsoever why the U.S. mail should be the vehicle for delivery of this Communist propaganda. I am most hopeful that the House will insist on the inclusion of this anti-Communist amendment in any postal rate increase proposal which passes this year. To delete this provision, either on technical grounds or under the argument that another bill will serve the purpose, would not be solving the situation, and would most certainly be working against our best interests.

Therefore, Mr. Chairman, I urge that we maintain the restrictions against the delivery of Communist mail as proposed by the gentleman from Nebraska [Mr. CUNNINGHAM].

Mr. Chairman, the issue before us seems to be fairly clear. Everyone would like to do something about the postal deficit. Everyone has a slightly different formula. I am afraid in the debate over various formulas and in the debate over who shall and who shall not bear the burden of the Post Office deficit, we may forget one fundamental fact; that the Post Office deficit is taken from the pockets of the American taxpayers. We ought to relieve the taxpayer of this burden or tell the taxpayer that we are going to continue to stick him with a growing and consistent deficit. What we are doing here this afternoon, under the latest Murray proposal, is to continue a deficit of approximately $260 million. When we will add, in this present congressional session an increase in Post Office salaries, and when we will pass the longevity bill which the President vetoed in October, we will wind up with a new and recurring deficit in the vicinity of $600 million. I do not believe we have any right to foist on the American public an increase in first-class and airmail rates under the guise of ending the deficit when, in effect, we are perpetuating it. I believe the best bill before the Congress is the original bill which the gentleman from Tennessee [Mr. MURRAY] introduced back in March, the original bill which Postmaster General Day requested. This would raise an additional $140 million and would be of much more substantial effect in cutting this deficit. The American public will not object to paying 5 cents for a first-class letter and 8 cents for an airmail letter, if they know that the deficit had been ended. We are guilty of hypocrisy if we put through this postal rate increase and turn to the public, saying, you must pay increased postage because we are ending the deficit and then when we juggle the accounts each year, and when we use the gimmick of the postal public service feature and the postal salary increase and all the other things that enter into it, we will still tax the public with a $600 million deficit.

When Postmaster General Day appeared before our committee in the spring of 1961, he submitted a proposal almost identical to the rate increases advocated by his predecessor, Postmaster General Summerfield. I believe it is an ironic, yet revealing, situation that we see here today, the majority party forcing their Postmaster General to abandon a proposal of fiscal responsibility to accept a watered-down version of a rate increase which fails to eliminate the deficit and, as I have pointed out, deceives the public. This action on the part of the House Democratic leadership, in the expected coordination with the Senate Democratic leadership, is political hypocrisy of the worst kind. Obviously, I, as a member of the minority party, am in a hopeless position if I fought to reintroduce an amendment calling for the Postmaster General's original request. Therefore, I will reluctantly support Mr. MURRAY'S pending amendment as the lesser of two evils and sweetened only by reluctant acceptance that the administration forces now give the anti-Communist propaganda provision. However, should the Senate refuse to include such an amendment and should it be rejected by a conference committee, I serve notice at this time that the battle will be fought here on the House floor to put into effect this amendment to stop the flow of free delivery of Communist mail.

Mr. Chairman, I yield back the balance of my time.

Mr. MURRAY. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Chairman, I am torn between conflicting emotions as I consider this bill. As most of you know, this is a subject in which I have been deeply interested for many years. When I first came to the Congress 17 years ago I was placed on the Post Office and Civil Service Committee. Shortly thereafter I was transferred to the Appropriations Committee, and for the past 12 years I have been serving on the Post Office Appropriations Subcommittee.

I am one of those who feel that the users of the mail should pay their way. I believe that every class of mail should pay its way. We are not engaged in a philanthropy in running the post office; we are engaged in a public service, and the people of this country have the right to demand that this service be performed efficiently and economically. But it is a special service that the users of the mail receive and I have never believed that the taxpayers of the Nation should be called upon to pay for that service.

The Murray substitute is very much better than the bill reported by the committee, and I fear that if we do not adopt the substitute we might get worse. I must confess, however, that there are certain features of this bill that I do not like. One of them is that certainly—and I do not believe anybody will dispute it—we do have a tremendous deficit, as we all know; it now approaches $800 million a year in the postal service. To make up that deficit we are putting most of the burden on first-class mail, which is already paying its way. That, in my judgment, is not the proper way to make up the deficit. I think we ought to put higher rates on second- and third-class mail that are not paying their way, rather than on first-class mail.

Just a few moments ago reference was made to the gimmick of public service. That is a highly complicated problem. I agree that the users of the mail should not be required to pay for the cost of service that the Government gives away, but when you begin to determine the proper measure of public service that is a very difficult problem. The entire postal operation is a public service—if it were not the Federal Government would have no business in it—if it is not a public service it ought to be handled under our system of free enterprise—but when you begin to pick out certain types of the service and say "This is public service" it seems to me the only thing you can do is to say "We will classify as public service the preferred service which the Government gives to favored users of the mail." How would you measure that free service? It seems to me that you would measure it on the basis of revenue foregone. There are two theories.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. GROSS. The Congress has already established that in the act of 1958.

Mr. GARY. That is correct; and, what is more, they left it to the Congress each year to determine what the amount should be. This bill would take that right away from the Congress, fix a set amount not on the revenue foregone basis but on the total loss or total cost basis.

Let us take a situation of this kind: We give free service to the blind. What are we giving them? We are merely giving to them the difference between the free service and the amount a nonpreferred user would pay for that service. For example, suppose the blind send a package which would cost 10 cents to deliver, and suppose the other users of the mail, the nonfavored users, would pay 5 cents to send that same package—the Government would be giving the blind a preference of only 5 cents and not 10 cents as fixed in the Murray substitute.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. GARY. Mr. Chairman, will the gentleman from Tennessee yield me more time?

Mr. MURRAY. I have but 1 minute remaining.

Mr. CORBETT. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. MURRAY. Mr. Chairman, I yield the gentleman 1 minute.

The CHAIRMAN. The gentleman from Virginia is recognized for 2 additional minutes.

Mr. CORBETT. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. CORBETT. I just want to tell the gentleman briefly that we did in the act of 1958 specify the items that were to be classed as public service. That was a law passed by both branches of the Congress, and did it not specify it should be on the total loss basis not the revenue forgone basis?

So that the gentleman should not be bewildered as to what the law is.

Mr. GARY. The law left it within the discretion of the Congress to determine

each year the amount to be appropriated to cover special services, and we have done it each year since that time.

Mr. CORBETT. The gentleman and his committee decided that the Congress did not know what it was talking about when they said the total loss and you appropriated on the basis of revenue foregone.

Mr. GARY. The Congress has appropriated on the basis of revenue foregone. Our committee did not say that the Congress did not know what it was talking about. The fact of the matter is the House did not have an opportunity to pass on that question when the law was passed in 1958. When the bill left the House it contained no refernce to public service. The provision was inserted in the other body. The bill came back to the House and the conference committee agreed to it because it left the amount to be determined each year by the Congress. I would much prefer that it remain that way.

Mr. CORBETT. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I do not know of any legislation in recent years to come before the House that has been attended with more backing and filling than this proposal. After the short recess we had last fall, due to the extensive use of the Thursday to Tuesday club last year, we were confronted, when we came back, with a new bill, although we had a committee bill in the House which was previously supported by the chairman of the Post Office and Civil Service Committee. That bill was then so satisfactory to Mr. MURRAY that he demanded and obtained a closed rule in an effort to get the bill through quickly. Apparently the Administration was equally satisfied with the bill last fall.

So we come back in January to find the chairman sending letters to Members of the commitee referring to an amendment, in the nature of a new bill which he proposed to offer.

I assumed this printed proposal that I hold in my hand was what we would be considering today. But, lo and behold, apparently something else is going to be offered. Frankly, I do not know where we are today. If Members can legislate properly in this climate there is not much need for a Post Office and Civil Service Committee. I am intrigued by all of the concern I have heard expressed today about deficits. Billions are voted for foreign aid and the same Members make no mention of a deficit. But when it comes to a postal rate increase, the deficit is the main topic of conversation. The gentleman from Virginia [Mr. BROYHILL] is concerned about the taxpayers and the postal deficit. I would remind him of the bridges that have been and are now under construction across the Potomac River, bridges that the taxpayers of the whole country built for the people of Virginia. Those contribute to the debt and deficit of the Federal Government.

Mr. Chairman, it is my understanding that the committee bill, taking into consideration the writeoff for public service, will produce a surplus of $146 million annually. Am I not correct in that, Mr. Chairman? Silence must indicate confirmation.

And, the gentleman's bill, if I am able to even make an estimate of what he is about to offer to the House by way of an amendment, will provide a surplus in the second year, when the rates are fully effective, of $122 million. I thought the House was setting out here to put the Post Office Department on a balanced budget basis; that Congress is not in the business of accumulating profit from the operation of the Post Office Department. What is the purpose of the $122 million surplus in the proposed amendment to be offered by the gentleman from Tennessee [Mr. MURRAY]? Why the surplus? Are we being asked today to provide for a pay increase when no consideration whatever has been given to a pay increase bill? What is this surplus for? Does anyone know? One of the top officials of the Post Office Department, a year ago, promised in a speech to provide economies totaling $300 million in the operation of the Post Office Department. Now, add $300 million to a surplus of $122 million and you have a lot of money other than for collection and distribution of mail. I am opposed to the amendment to be offered by the chairman of the committee, with the increased rates he proposes. Let us go back to the committee bill, and send that to the Senate.

Let me say to the Republican members of the House that the minority of the Committee on Post Office and Civil Service tried last week to get two executive committee meetings, with Department officials before the committee, to tell us why this sudden shift from the pending bill to the proposed Murray amendment in the nature of a substitute. We got absolutely nowhere; we were flatly refused and so we are here today with no explanation of why, in less than 6 months, the House is called upon to increase postal rates above the pending bill by $70 million.

Mr. MURRAY. Mr. Chairman, I yield 2 minutes to the gentleman from West Virginia [Mr. HECHLER].

Mr. HECHLER. Mr. Chairman, I really wish we could face up to this problem of raising substantially the rates on third-class mail, the so-called junk mail, because one out of four pieces of mail now is third-class mail. The volume of this mail has gone up since 1928 over 300 percent. At the appropriate time I intend to offer an amendment which will increase the rate on single pieces of third-class mail from 3 to 3½ cents, and raise rates proportionately for other than nonprofit organizations.

You know, I got a letter the other day from a fellow who said he could not understand how we here in the Congress of the United States, in conscience, at the last session of the Congress, could extend our franking privileges to cover occupant mail in cities and then turn right around and raise first-class rates. Well, I can't understand it either and I know that lots of my colleagues are in the same boat. That is something that has not been mentioned here today. But I think it is a very, very serious and pertinent question. The people will understand the necessity for raising first-class rates if we really make a genuine effort to raise rates on junk mail.

Under the Murray amendment, first-class and airmail increases would provide 80 percent of the additional revenue from rate increases, while only 20 percent would be borne by other classes of mail. So passage of the bill as proposed would perpetuate the inequities of the present postal rate structure.

It is true that there have been rate increases on third-class mail in 1959, 1961 and in the current bill and Murray amendment, but even with these increases third-class mail revenues are still below the cost of handling.

There has been a lot of bleeding by third-class mailing organizations who claim that billions of dollars are invested in the direct-mail industry, and many people would lose their jobs if Congress should raise third-class mail rates. The lobbyists are swarming around Capitol Hill, and the big organizations that say they are on the verge of bankruptcy are placing full-page ads in the newspapers. Where do they get the money to place these ads? Where do they get the money to keep these lobbyists on their payrolls? When you figure it out, they are paid for by the taxpayers as part of the subsidy which the third-class mailers receive.

The average citizen who uses first-class mail has no organized lobby out pounding the corridors for him. The average citizen cannot afford to place full-page ads in the newspapers and start a big propaganda campaign. But it is up to us as Members of Congress and it is our obligation to stand up and fight for every man who has blown his top at the amount and worthlessness of junk mail, and who has had just about more than he can take when he figures he has to subsidize this junk.

To make a long story short, I hope that when I present my amendment it may receive some support from my colleagues who want to see justice done for the oppressed citizen with the overstuffed mailbox, not to mention the overburdened mailman.

Mr. CORBETT. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, there are a number of inequalities in this bill which to me, and I am sure to many Members of the House, are rank injustices to many small and some large users of the mails. The amendment which is to be proposed and I shall support it wholeheartedly, I refer the amendment to abolish the Communist propaganda free mail.

Mr. Chairman, one of the inequalities in this bill is that a heavy magazine can be shipped from Boston for example to San Diego, for the same price as a shopper's guide, a lightweight little paper mailed within a county for 2½ cents. If that is not an inequality then that word should be stricken from the dictionary. I agree with the gentleman from Iowa [Mr. GROSS], that there must be something wrong with some Members'

thinking when we spend on an average of over $3.5 billion a year in the give-away program to foreign countries and we are today spending the taxpayers' money to the tune of about $16 billion a year Federal personnel just to be governed from Washington, D.C. In face of that we come here and shed great elephant tears about spending little comparitively speaking to carry on mail service, which is of great benefit and service to the people.

Mr. Chairman, I certainly hope that we cant get at least some of these glaring inequalities taken out of this bill before the final vote comes, and I shall certainly support amendments to do so.

Mr. CORBETT. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. JOHANSEN].

(Mr. JOHANSEN asked and was given permission to revise and extend his remarks.)

Mr. JOHANSEN. Mr. Chairman, when the annual postal deficit was some $600 million under the administration of a Republican President and that administration sought rate increases to reduce the deficit, I supported the recommendation.

A considerable number—indeed, a decisive number—of my Democratic colleagues could not see their way clear to go along. So nothing happened. And the deficit grew.

Now that the deficit is in excess of $830 million, I cannot find any valid basis for reversing my position in support of rate increases—least of all because this is a Democratic administration which now recommends a rate increase.

It seems to me that as a matter of consistency instead of deserting my own past position, I should be a member of the welcoming committee to greet some of the Democratic converts to the cause of postal rate increases. Having mentioned the matter of consistency, let me say that I make no claims of surpassing the consistency—or the consistent rightness—of the distinguished chairman of the committee, the gentleman from Tennessee [Mr. MURRAY].

The gentleman from Tennessee supported the rate increase under the past administration; he supports it now; he has been and remains firm in his adherence to principle. I am honored to associate myself with the distinguished chairman in this fight as I have in the past and I hope that the Members of the House on both sides of the aisle, and regardless of their individual views on this issue, will recognize and honor the stalwart consistency and courage of the gentleman from Tennessee and I hope that a majority of my colleagues will rally to his support and to the support of the Murray substitute amendment.

Now permit me to offer one or two rather broad observations regarding this subject of postal rate increases.

My first observation is that the real issue involved is very simple and very clearcut: Do we have the right, either as a matter of moral principle or sound economics, to pass a portion of our postage bills on to our grandchildren and our great grandchildren?

It is that simple.

And that is precisely what we have been doing.

Approximately one-half of the national debt increase since World War II is attributable to the postal deficit. Of course, that proportion would be somewhat reduced if the public service allocation proposed in the Murray bill were applied to the past postal deficits. But the fact and the principle remain.

The truth is that we are not only passing a part of our postage bill on to our grandchildren and great grandchildren, but we are also requiring them to pay interest on our postage bills.

I think that is unconscionable. I think that is a national scandal. I think that is a disgrace.

My second observation is that I know of no issue which seems to evoke the number and variety of expedient, popular, convenient, and self-serving allegations and alibis as to why we cannot, or should not, do anything about it. And I might add that the alibi makers have been unusually prolific in the current campaign against any rate increases.

Let us take a look at some of the roadblocks which are being thrown up against the rate increase.

First. There is, of course, the inevitable "Let George do it" argument.

This argument is employed, in varying degrees, by each class and category of mail users. They favor eliminating or reducing the postal deficit but they want the other classes and categories of mail users to do the job.

Perhaps the most popular form of this "let George do it" argument is directed against third-class mail and specifically against so-called junk mail. The popular and completely unrealistic argument runs to the effect that if the rates on this type of mail were raised to where they ought to be, it would take care of the deficit. Of course this is simply not true. The entire revenue deficiency of third-class mail is $265 million. The total deficit is $830 million plus. If rates for third-class mail were increased to absorb this total deficiency, one of two things—or a combination of the two—would occur. Either third-class mail would be priced out of the market or rates would be brought to a point which would require first-class preferential service for third-class type of mail.

The same principle applies to a rate increase which would absorb the $350 million revenue deficiency of second-class mail, and those who are now voicing such anguished protests against a reasonable rate increase would certainly have valid grounds for claiming that the Government was bent on their liquidation.

Those who object to the proposed $437 million increase in first-class rates ignore another basic fact. This increase would bring first-class revenues to 127 percent of basic allocated costs. This ratio is still below a past high of 140 percent and, of course, is in line with the historic recognition of the preferential treatment of first-class mail.

The "let George do it" argument is, of course, the sure road to stalemate. Its logic and its purpose is a do nothing policy, and that, of course, is exactly what the advocates of this position want. The only solution, is as equitable a distribution of the rate increases between the several classes of users as possible. That, in my judgment, is precisely what the Murray amendment does.

The unpopularity of any form of taxation is nothing new. George Washington summed it all up in his farewell address:

> Toward the payment of debts there must be revenue; to have revenue there must be taxes; no taxes can be devised which are not more or less inconvenient and unpleasant.

Second. The second road block to any action on the postal deficit is the argument which the magazine publishers' lobby and the third-class-mail users' lobby have been extensively promoting the last few days in full-page advertisements in Washington newspapers.

It is the cry of poverty.

It is the claim that the proposed rate increases will put the publishers and the third-class-mail users out of business.

To this line of propaganda there was added this morning a full-page ad of the International Printing Pressmen and Assistants Union of North America, AFL–CIO, with the horrendous title "A Vote for Unemployment?"

I am not clear from these ads whether the argument is that any rate increases will put them out of business or only the increase provided in the Murray amendment. I am not clear from these ads whether there is a compromise figure somewhere between no-rate increase and the Murray amendment proposal which the publishers' lobby and the third-class-mail users' lobby would find tolerable.

I shall be very interested to see whether any Member of the House will offer an amendment providing for some such compromise figure. I am advised that the parliamentary situation affords the opportunity to offer such an amendment and I am most curious to see whether it will be forthcoming.

There is, however, one aspect of this campaign to frighten Members of Congress into voting against the Murray amendment which I believe needs to be pointed out.

Believe it or not, postal rates are by no means the only production costs for either publishers or third-class-mail users. And believe it or not, postal costs are not the only costs that have increased in recent years. In fact, those increases have been substantially less than other production cost increases.

I think it comes with particularly ill grace that an AFL–CIO union attacks the rate increase proposal as "a bill to put us on the street." I have no quarrel with the efforts of organized labor to better the economic status of workers. I have a decided quarrel, however, with the kind of argument which attempts to place the entire burden of responsibility for the economic problems of any industry on the matter of postal rates, and totally ignores the possibility and the fact that exorbitant wage increases can also put businesses on the rocks and be a vote for unemployment.

When we return to the House I shall ask unanimous consent to place in the RECORD a chart showing comparative job

pay rates in the magazine and newspaper industries for the years 1940, 1957, and 1960. These figures were provided me by the Department of Labor. They tell their own story.

Third. Another popular device for stalemating action on postal rates is that of injecting totally extraneous issues.

The same AFL–CIO page ad in this morning's Washington Post indulges in this device.

It refers to the fact that during the last 10 years, when it is alleged 100 U.S. magazines stopped publication, "we were giving Comrade Tito, of Yugoslavia, $2.5 billion" and "we were providing Gomulka of Poland with nearly $1 billion."

Now, I have always opposed this kind of foreign aid folly. However, I recall no full-page paid advertisements by the International Printing Pressmen and Assistants Union of North America, AFL–CIO, in opposition to this criminal folly when it was pending before this House. Where were those now vocal opponents of this foreign aid when it was an actual issue before the Congress? Is foreign aid for Iron Curtain countries a pressing and relevant issue only when postal rate increases are under consideration?

Fourth. Still another road block is the perennial argument as to the amount, if any, which should be designated and allocated for public service.

For 7 years, as a member of the House Committee on Post Office and Civil Service, I have been bludgeoned with arguments by representatives of the publishers and third-class mail users lobbies that the factor of public service should be recognized in any appraisal of the postal deficit and in any process of postage rate fixing.

Repeatedly, I have heard these lobbyists say that if such a public service allocation were allowed, they would then be willing to accept a rate increase.

I am for calling their bluff. I am against buttressing and perpetuating this argument by futile and frustrating wrangling over the amount or formula for such a public service allocation.

I find no acknowledgment in the current flood of propaganda advertisements of these lobbyists that for the first time recognition is given to the public service item. So far as I am concerned, this silence is an acknowledgment that this argument is, and always has been, a phony, and that their commitment on this matter was not made in good faith.

Fifth. Let me mention one final road block which is being thrown in the path of any postal rate increase. I refer to the matter of a possible—if not certain—postal pay increase.

The argument is to the effect that we should not increase postal rates because it will make it easier to secure a pay increase.

Let me say first of all that those of my colleagues who offer this argument cast a serious reflection—quite unintentional I am sure—on the capacity of this House to render a prudent and reasoned decision on the subsequent independent issue of pay increases for postal employees.

Their argument seems to be that if we put our fiscal affairs in some kind of order by reducing or eliminating the postal deficit, we will have an irrepressible compulsive urge to start building another deficit. I happen to have a little higher opinion of my colleagues.

The simple truth is that if we have a postal pay increase, it will either be because there are valid reasons for it or because there are political pressures for it. It may be a combination of both. If we have that postal pay increase without any postal rate increase, we will simply be compounding the evil of the postal deficit.

I have long been one of those who has argued that increases in postal operations costs—including increases in pay for postal employees—should in all honesty and as a matter of fiscal prudence be matched by increased revenues.

I can conceive of no greater inconsistency than the argument that we should not increase postal rates—which increase by the way is in part for the purpose of offsetting past postal pay increases—simply because there may be now or hereafter some subsequent pay increases.

The issue before us remains what I stated it to be at the outset—whether we are going to continue to pass a part of our postage bill on to our grandchildren and our great grandchildren and whether we are going to embrace any alibi we can dream up for doing nothing about it.

The chart follows:

Average hourly pay rates in the printing industry

Job	1940	1957	1960
COMMERCIAL WORK			
Booking jobs	$1.13	$2.77	$3.08
Bindery women	.53	1.64	1.87
Bookbinders	1.03	2.83	3.18
Hand compositors	1.23	3.07	3.37
Electrotypers	1.43	3.30	3.64
Machine operators	1.27	3.07	3.37
Machine tenders	1.29	3.05	3.36
Mailers	1.08	2.45	2.96
Photoengravers	1.57	3.56	3.94
Press assistants	.95	2.49	2.75
Cylinder pressmen	1.25	3.04	3.33
Flat pressmen	1.03	2.74	3.02
NEWSPAPERS			
Stereotypers		3.29	3.70
Hand compositors	1.38	3.22	3.49
Machine operators	1.39	3.24	3.52
Machine tenders	1.37	3.24	3.53
Mailers	1.00	2.88	3.19
Photoengravers	1.71	3.51	3.82
Journeymen pressmen	1.29	3.23	3.52
Pressmen in charge	1.43	3.51	3.83

Mr. MURRAY. Mr. Chairman, I yield 4 minutes to the gentleman from Michigan [Mr. LESINSKI].

(Mr. LESINSKI asked and was given permission to revise and to extend his remarks.)

Mr. LESINSKI. Mr. Chairman, I just want to remind the House of a little of the history of postal rates so that we will know what we are talking about here today.

First of all, the committee did come out with a compromise bill that did raise second- and third-class mail rates. The bill was not perfect. It was the best we could do in committee. Let us not forget that in 1926, the third-class rates were raised from 1 cent to 1½ cents and then Congress had to come back in 1928 and changed it back to 1 cent. In 1932, as the older Members of the House will remember, the Congress raised the second-class rates and in 1933, they had to come back and change them back to what they were in 1932.

Mr. Chairman, the Murray amendment, if adopted, is going to defeat the very thing that the Post Office wants and that the present administration wants. The President the other day said that he was very happy over the fact that there were a million more people working in this country than were working last year and the year before last. If you adopt the Murray amendment, those million people, if not more, are going to be out of work and I mean that sincerely because if you raise the third-class mail rates from 2½ cents to 3 cents, as is proposed here or to 3½ cents, as has been proposed by one of the Members, there will be no more third-class mail. If you raise the rates on second-class mail too high, you will destroy the very basis of America and that is the many small businessmen. If you believe in small business, do not vote for the Murray amendment.

The Murray amendment is going to take income away from the Post Office Department and it will take income away from the Federal Treasury, and it will not increase the income. Yes, there will be an increase in the first-class mail revenue, that is true. Some money will come from that source. But I just want to remind the House that the compromise bill which came out of committee last year was a very good compromise. I am one of those who believes that you should pay your way, but when you increase rates too rapidly and too much, you destroy the very thing that you are trying to do.

Mr. Chairman, as a former member of the House Post Office and Civil Service Committee, I wish to enter a vigorous warning against the move to restore to the postage rate bill, now pending before the House, the original schedule of rate increases for second- and third-class mail recommended by the Post Office Department.

Legislation which ignores the economic facts of life about a great industry like the publishing industry, or a growing business like the mail order business, is bad legislation.

The evidence before our committee established beyond a reasonable doubt that the proposed 79-percent increase on second-class mail will deal a crippling blow to the magazine industry and place heavy economic burdens upon the already pinched small city dailies, the rural press, and the farm journals.

In short, the potential harm of the Department's rate structure far exceeds its meager benefits. There is no evidence before our committee to dispute these conclusions.

First off, the Department's rate structure, if adopted, will mean a death sen-

tence for some of the finest publications in the land. The estimated increase in revenue of $78 million on second-class mail exceeds the gross annual profits of the magazine industry. The added second-class mail costs will exceed the annual profits for many publications. If this seems surprising to some of my colleagues of the House, may I suggest that this surprise springs from a common misunderstanding of the nature of the magazine publishing field.

There are a few giants in the field called general interest magazines, and some of them report substantial earnings although far less than in former years. But the majority of the 6,000 privately owned journals which pay the full second-class rate are specialty magazines of limited circulation, barely able to get by financially, the continued publication of which is vitally important to their readers.

Our contention that the postage rate structure recommended by the Post Office Department will mean a death sentence, or financial liquidation, for many splendid publications needs documentation. These facts were adduced by witnesses before our committee.

As an example, the Curtis Publishing Co. has been preeminent in the publishing field for generations. It employs about 12,000 workers, and its operations extend across the continent. It publishes among others such well-known publications as the Saturday Evening Post and the Ladies Home Journal, which over the years have become household terms to millions of Americans.

The Curtis Publishing Co. is a heavy user of the mails. In the year 1960 its total postage bill exceeded a whopping $15 million. The rate hikes recommended by the Post Office Department would up these costs approximately $10 million. With the present cost-price squeeze affecting the entire magazine field, no firm could survive such an increase. The only alternative would be to suspend publication, or order drastic reductions with consequent rollbacks in employment and payrolls. Such a development would reduce the tax revenue, thereby offsetting any gain in postal revenue.

It would be difficult to assess the many contributions to our cultural heritage made by Harper's magazine and the Atlantic Monthly. These publications have provided the outlet and the encouragement for some of America's finest writers. The publishers of these two magazines said the rate schedule proposed by the Post Office Department would put them out of business. Their balance sheets uphold that claim. Because of a relatively limited but select class of readers, these publications cannot offset the higher mail costs by upping prices or advertising rates.

The Catholic Digest, although nominally a religious publication, must make a profit in order to survive. Since the date of inception, its fixed purpose has been to bring home to its many readers the evils of the Communist conspiracy and the Communist way of life. A spokesman for the magazine gave this picture of what would happen under the Department's rate schedule:

> It is clear that we would have only two choices; first, to curtail our operations, dismiss half our personnel, and therefore become weak and ineffective, or to continue as we are and go bankrupt.

The magazine for children was a delightful feature of family life in the early days of this century. Now it has virtually disappeared and the few surviving publications which try to live up to the splendid traditions of the past are rapidly losing ground. The publisher of three of these children's magazines, Humpty Dumpty, Children's Digest, and Calling All Girls, said his firm will have to suspend these publications if the Department's rate schedule becomes law.

In the long run, the rise of 79 percent in second-class rates may do just about as much damage to the small city newspaper, the rural paper, and the farm papers.

Mr. Guy Easterly, speaking for the National Editorial Association, which includes in its membership about 550 small town dailies and more than 5,000 weeklies, offered tables which disclosed that the Department rates would double, and in some cases quadruple, the mailing costs for these smaller newspapers. This rate hike would be heaped on publishers who have been compelled to absorb six rate increases totaling 89 percent over the past 9 years. It is difficult to figure out what national interest would be served by putting these publishers in an economic straitjacket.

Mr. Vern Anderson, speaking for the Agricultural Publishers Association, made this comment about the Post Office Department's rate proposals:

> The publishers submit that these increases by the Post Office Department are coming with greater speed, greater frequency, than their business can absorb.

Here again, it is difficult to understand what national interest would be served by piling new economic burdens on the farm publishers.

We are conscious of the fact that the operations of the postal system showed a bookkeeping loss of more than $800 million for the last fiscal year. This is a matter for serious concern. We believe in a pay-as-you-go government wherever possible, and we subscribe to the policy that every reasonable effort should be made to make postal revenue equal postal costs.

However, the factors which go into postage ratemaking are extremely complex. There are hidden subsidies for the railroads in the annual Post Office supply bills. The postal service is still carrying a host of activities for other Federal agencies. The Postal Policy Act of 1958 said in substance that $300 million should be charged off annually to public service, yet the Department ignored this and put public service at a much lower figure. Spokesmen for the publishers assert that a fair accounting will show that they are already paying their costs. The truth is that no one yet has been able to fix definitely the exact cost of transporting each class of mail.

The overriding consideration is that the rate schedule proposed by the Post Office Department would drive publications out of business, cause serious unemployment in the publishing industry, and take taxpaying corporations off the tax rule.

For Congress to adopt such a policy would be repugnant to justice and commonsense.

The dilemma which faces Members of Congress was frankly recognized by Postmaster General Day in these words:

> The American publishing industry has been built and nurtured on the present system of very low postage rates. Only the Congress can decide to what extent this system should be modified. We believe the rate proposal before you is reasonable from the standpoint of a more equitable sharing of postal costs among the various users of the mail.

In reporting the postal rate bill to the House, the Post Office and Civil Service Committee substituted a schedule of moderate increases on second- and third-class for the stiff rates recommended by the Post Office Department. We believe it would be a mistake for the House to return to the original Department rates.

Legislation which would force the liquidation of some of the best-known business enterprises in the country is not in the national interest.

The worst thing Congress can do is to vote people out of work. And on the evidence at hand, the postal rate bill sponsored by the Post Office Department will do exactly that.

As coauthor of the postal rate bill, H.R. 7927, now pending on the House Calendar I oppose the substitute measure which Chairman MURRAY proposes to introduce during the coming debate.

Our committee held 17 days of hearings, heard 250 witnesses and then spend many hours during 11 executive sessions hammering out the terms of a bill which will raise over one-half billion dollars.

Naturally, no one agreed with every line of the bill. Some would like no increase in first class rates. Others would like to drastically increase newspaper and magazine rates. There are honest differences of opinion on the controlled circulation rate. The miracle is that we succeeded in getting a half-billion dollar bill reported to the House floor by the decisive committee vote of 20 to 2.

My only fear is that any postal rate increases at this time might have an adverse impact on business. Certainly, we should not rashly change the terms of the bill without making certain it will not have the effect this administration is working to avoid—a business recession in any vital segment of the economy.

We are all aware that increased postage rates paid by business firms are a proper addition to the cost of doing business and have the effect of reducing income tax payments. Since 75 percent of all mail is used by business the increase in postal revenues from business mail will be offset by lower

income taxes. Therefore, in my opinion, the net gain to the Federal Government from the pending bill may not exceed $300 million. Some newspapers of America have engaged in a bitter campaign against their principal competitor, direct mail advertising. This campaign has been going on for 10 years. It has resulted in our increasing the bulk third-class mail rate 150 percent since 1952. Our committee felt that such a steep increase—150 percent—was sufficient. The third-class rate structure is complicated, but we did readjust certain pound rates, the single piece rate, the permit fee, the odd sized piece rate, all to the end of increasing third-class postage revenues from $532 million annually to almost $600 million.

I hope and pray the direct mail industry will be able to survive a new round of rate increases—first, third, and fourth class, not to mention those rates on special services such as c.o.d., special delivery, insured mail, and so forth, which the Postmaster General has recently readjusted upward.

This country needs the $20 billion of sales now generated by third-class mail. This country cannot afford to take away from any of the 1 million or more full-time employed Americans and over 3 million part-time employees whose jobs which are dependent upon the continuance of sales.

The creation by the Congress in 1928 of bulk third-class mail to keep valuable postal employees profitably occupied during slack periods was one of the wisest decisions taken by Congress. We should not in 1962 undo the great good of that decision by further increasing the bulk rate. That rate was increased in 1952, 1959, and in 1960.

The effect of the latest increase in third-class mail was clearly reflected in the decline of volume in 1961 as compared in 1960. Total third-class was 17,568.8 pieces in 1961, a drop of 2 percent from 1960 when volume ran 17,-910.2. This drop, in what has otherwise been a steady growth, indicates we may have already gone too far, too fast, in the three rate increases on third-class in the last 10 years. In my own area, the Detroit Post Office suffered a drop of more than 5 million pieces of third-class mail. This not only hurts the area economically, but will lead to a loss of jobs for postal clerks and letter carriers.

I might say that we have had no documented word from the Commerce Department regarding the impact of the 1960 rate increase. We have no official estimates on the probable impact of a further hike in the bulk rate. Until such documentation is forthcoming, the House should not entertain a rate increase which, in my judgment, would prove to be both punitive and destructive.

All increases should be on a graduated basis so as to not adversely affect any one segment of our economy.

Mr. CORBETT. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from New York [Mr. BARRY].

(Mr. BARRY asked and was given permission to revise and extend his remarks.)

Mr. BARRY. Mr. Chairman, since I have served in the Congress I have been a member of the Post Office and Civil Service Committee. During the last 3 years there has been an attempt made to get a responsible rate increase, and at last it seems that we may now have an opportunity to institute a long overdue increase in rates.

I intend to support the Murray amendment, but I hope also that it will be modified. I have an amendment to modify it in one particular. I hope also to support Mr. OLSEN in one of his amendments.

I would like to ask the House to consider as it votes on this legislation, that there may be an effort made in the other body to water down what we do here, and I ask that we resolve that in the conference we not recede from what we decide during the next day or two.

With respect to the amendment I propose to offer, I invite your attention to a type of circulation which cannot, by virtue of raising its advertising rates or getting another advertisement, make up the gap that is caused by a substantial increase in postal rates; I am speaking now of that type of publication that does not carry any advertising. I think special consideration is needed here, because of the very nature of these publications as they lend themselves more to an educational type of publication because none of them include advertising. The proposed increase in the Murray amendment would be 300 percent for certain of these publications that are now in existence. These publications number some 6 million in circulation. I will name one of them, the Catholic Digest, with a circulation of a million. Children's magazines do not carry advertising, because children basically do not create markets and advertisers are unwilling to advertise in them. This is the kind of publication I am speaking about and which my amendment will benefit.

The amendment which I shall propose will double the rates on this type of publication but not triple them as the Murray amendment would. So these publishers will not get by without a substantial increase, since it will be a 100-percent increase instead of a 300-percent increase. It is our responsibility to protect these publications so that they continue to live even though we substantially increase their postal rates.

Mr. MURRAY. Mr. Chairman, I yield the balance of the time on this side to the gentleman from Oklahoma [Mr. ALBERT.]

(Mr. ALBERT asked and was given permission to revise and extend his remarks.)

Mr. ALBERT. Mr. Chairman, this is the first legislative business of the 2d session of the 87th Congress. It is much-needed legislation. It is important legislation. It gives the Members of the House the opportunity to make the fulfillment of important fiscal responsibilities the first legislative business of the session.

The importance of this measure cannot be overemphasized.

Last week the President submitted the largest peacetime budget in history.

That budget was predicated upon the enactment of this measure.

If we are to provide our Nation with the kind of government services which we must have in our expanding economy in this decade, and if we are to provide the strongest national defense in the history of our Nation, it is important that we maintain a balanced budget.

To that end, we must face up to our responsibility of reducing substantially our tremendous postal deficit now and for future years.

The great Committee on Post Office and Civil Service, upon which I once had the honor of serving, has reported a bill for which the gentleman from Tennessee [Mr. MURRAY], chairman of the committee, has offered a substitute.

I hope the Committee of the Whole will accept the Murray substitute.

I favor the substitute in preference to the committee bill, first of all, because it will provide more income for the Post Office Department.

It will increase additional revenues from $551 million annually to $621 million annually.

This legislation is desperately needed to prevent a further increase in the postal deficit, which in turn contributes substantially to the national debt.

I favor the substitute because it is based upon the philosophy that the users of the mail should pay a fair share of the cost of the service which they receive.

For the first time in history the Postal Establishment is required to comply with the break-even directive of the Postal Policy Act by determining the costs of performing public services enumerated by law and charging these costs to the general fund of the Treasury.

All other costs shall be borne by the users of the mail through the payment of adequate postal rates.

Like the committee bill, the substitute increases first-class mail charges from 4 to 5 cents and airmail from 7 to 8 cents.

But the substitute will raise $53.4 million additional revenue in second-class mail, which consists largely of newspapers and magazines operated for profit, rather than $21 million as does the original bill, and $93 million additional revenue in third-class mail, rather than the committee bill's $57.3 million.

Free-in-county second-class rates and mail rates for nonprofit and classroom publications are not affected by the Murray substitute.

This will, within the framework of raising needed additional revenue, preserve a proper relationship between first-, second-, and third-class mail, bearing in mind, of course, that first-class mail received preferential treatment and that even with the increases of Mr. MURRAY's substitute, the Post Office Department's revenues would be roughly 50 percent of cost in second class and 85 percent in third class.

I am aware that there are some who contend that the increases in the second- and third-class mail are too much, and there are others who argue that they are too little, particularly in the light of the

increases in first-class mail contemplated in both the committee bill and the Murray substitute.

But I favor the Murray proposal, because I believe it to be a fair and reasonable compromise between placing the entire needed increase in revenues on the shoulders of first-class mail users, and falling considerably short, as the pending bill does, of the recommendations made by both Presdent Eisenhower and President Kennedy last year.

I propose to support the Murray substitute and to oppose all amendments to increase or decrease the amounts contained in it. I oppose the exemption of newspapers from the increases, as my friend Mr. DAVIS proposes. I oppose it, because, first, it will cost $21 million per year, and because it gives unqualified preferential treatment to one class of publication.

In this latter respect, let me emphasize the bipartisan nature of this endeavor.

During a press conference on June 20, 1961, President Kennedy stated:

Both the previous administration and this administration recommended nearly $840 million of tax increase in postal payment.

Again, in his speech on the Berlin crisis, the President stated:

The luxury of our current postal deficit must be ended.

This bill, as amended by the Murray substitute, has the support of the Post Office Department. It has the support of the administration. I think a majority of the Members of the House are convinced that the postal deficit requires that we raise postal rates.

It is my earnest hope that we will do the whole job and do it now.

I urge my colleagues on both sides of the aisle, by reason of the bipartisan nature of this proposal, to adopt the Murray substitute and pass the bill.

Mr. CORBETT. Mr. Chairman, I yield 1 minute to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I rise to propound a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GROSS. The distinguished majority leader said that the chairman of the committee will offer a substitute to the committee bill. My question is: Will the substitute be open to amendments at any point? How many amendments may be offered to the substitute, and will it be open to amendment at any point?

The CHAIRMAN. The proposed amendment being an original amendment will be open to an amendment at any point.

Mr. GROSS. To an amendment?

The CHAIRMAN. And a substitute and an amendment to the substitute.

The time of the gentleman from Iowa has expired. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Postage Revision Act of 1961".

Mr. MURRAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURRAY: Strike out all after the enacting clause and insert in lieu thereof the following:

"SHORT TITLE

"SECTION 1. This Act may be cited as the 'Postage Revision Act of 1962'.

"POSTAL POLICY

"SEC. 2. (a) Section 2302(c) (4) of title 39, United States Code, is amended by striking out 'deemed to be attributable to the performance of public services under section 2303(b) of this title' and inserting in lieu thereof determined under section 2303 of this title to be attributable to the performance of public services'.

"(b) Section 2303(a) of title 39, United States Code, is amended—

"(1) by amending the heading so as to read

"'§ 2303. Identification of public services and costs thereof';

"(2) by striking out paragraph (2) and renumbering the suceeding paragraphs accordingly; and

"(3) by adding at the end thereof the following new sentence:

"'The terms "total loss" and "loss" as used in this subsection mean the amounts by which the total allocated costs incurred by the postal establishment in the performance of the public services enumerated in this subsection exceed the total revenues received by the postal establishment for the performance of such public services.'

"(c) Section 2303(b) of title 39, United States Code, is amended to read as follows:

"'(b) The Postmaster General shall report to the Congress, on or before February 1 of each year beginning with the year 1963, the estimated amount by which, in the then current fiscal year, the cost incurred by the postal establishment in the performance of each of the public services enumerated in subsection (a) of this section exceeds the revenue received by the postal establishment for the performance of each such public service. The aggregate amount by which, in any fiscal year, the costs incurred by the postal establishment in the performance of each such public services exceed the aggregate amount of the revenues received by the postal establishment for the performance of such public services shall be excluded from the total cost of operating the postal establishment for purposes of adjustment of postal rates and fees.'

"(d) The table of contents of chapter 27 of title 39, United States Code, is amended by striking out

"'2303. Identification of and appropriations for public services.'

and inserting in lieu thereof:

"'2303. Identification of public services and costs thereof.'.

"FIRST-CLASS MAIL

"SEC. 3. Section 4253 of title 39, United States Code, is amended by striking out the words 'four' and 'three' wherever appearing in subsection (a) and inserting in lieu thereof the words 'five' and 'four', respectively.

"AIRMAIL

"SEC. 4. Section 4303 of title 39, United States Code, is amended—

"(1) by striking out the word 'seven' in subsection (a) and inserting in lieu thereof the word 'eight';

"(2) by striking out the word 'five' in subsection (b) and inserting in lieu thereof the word 'six'; and

"(3) by striking out the phrase '3 cents an ounce or fraction thereof' in paragraph (2) of subsection (d) and inserting in lieu thereof the phrase 'the rate of postage for other first-class mail matter'.

"SECOND-CLASS MAIL BEYOND COUNTY OF PUBLICATION

"SEC. 5. Section 4359 of title 39, United States Code, is amended—

"(1) by striking out so much of subsection (b) as precedes the table and inserting in lieu thereof the following:

"'(b)(1) Subject to the minimum rate provided for publications of qualified nonprofit organizations and classroom publications by section 4360 of this title, the rates of postage on publications mailed in accordance with subsection (a) of this section are fixed both by the piece as provided in paragraph (2) of this subsection and by the pound as provided in the following table: '[In cents]';" and

"(2) by adding at the end of subsection (b) a new paragraph (2), as follows:

"'(2) The piece rates of postage are charged on each individually addressed copy of a publication (except a publication of a qualified nonprofit organization and a classroom publication) mailed in accordance with subsection (a) of this section in addition to the pound rates. The piece rates are as follows:

"'Publications other than classroom publications and other than publications of qualified nonprofit organizations—½ cent, effective on and after July 1, 1962, and before July 1, 1963; and 1 cent, effective on and after July 1, 1963.'

"MINIMUM POSTAGE RATES ON SECOND-CLASS MAIL

"SEC. 6. Section 4360 of title 39, United States Code, is amended to read as follows:

"'§ 4360. Minimum postage

"'The minimum rate of postage is one-eighth cent for each individually addressed copy of—

"'(1) a classroom publication or a publication of a qualified nonprofit organization mailed under section 4359 of this title, or

"'(2) any publication mailed for delivery within the county of publication except when mailed free under section 4358(a) of this title.'

"CONTROLLED CIRCULATION PUBLICATIONS

"SEC. 7. Section 4422 of title 39, United States Code, is amended by striking out '1 cent' and inserting in lieu thereof '3 cents'.

"THIRD-CLASS MAIL

"SEC. 8. (a) Section 4451(a) of title 39, United States Code, is amended—

"(1) by striking out the word 'and' at the end of paragraph (2) thereof;

"(2) by striking out the period at the end of paragraph (3) thereof and inserting in lieu of such period a semicolon and the word 'and'; and

"(3) by adding immediately below such paragraph (3) a new paragraph (4), as follows:

"'(4) not mailed during the period December 15 to December 25, inclusive, of each year.'.

"(b) Section 4451(d) of title 39, United States Code, is amended by striking out '(a)(2)' and inserting in lieu thereof '(a)(3)'.

"(c) Section 4452 of title 39, United States Code, is amended—

"(1) by amending the table in subsection (a) to read as follows:

" 'Type of mailing	Rate	Unit
	Cents	
(1) Individual piece	4	First 2 ounces or fraction thereof.
	1½	Each additional ounce or fraction thereof.
(2) Bulk mailings under subsec. (e) of this section of:		
(A) Books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions and plants:		
(i) Qualified nonprofit organizations	10	Each pound or fraction thereof.
(ii) Others	12	Do.
(B) Other matter	16	Do.'

"(2) by amending the table in subsection (b) to read as follows:

" 'Mailed by— (In cents)
Other than qualified nonprofit organizations 3
Qualified nonprofit organizations 1¼'; and

"(3) by amending subsection (c) to read as follows:

" '(c) The minimum postage rate on pieces or packages of third-class mail of such size or form as to prevent ready facing and tying in bundles and requiring individual distribution is four and one-half cents.'

"(d) The third proviso in section 3 of the Act of October 30, 1951, as amended by the Act of June 23, 1959 (73 Stat. 89; Public Law 86–56), is hereby repealed.

"EDUCATIONAL AND LIBRARY MATERIALS

"SEC. 9. (a) Section 4554 of title 39, United States Code, is amended—

"(1) by amending that part of subsection (a) which precedes paragraph (1) to read as follows:

" '(a) Except as provided in subsection (b) of this section, the postage rate is 9 cents a pound for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof, except that the rates now or hereafter prescribed for third- or fourth-class matter shall apply in every case where such rate is lower than the rate prescribed in this subsection on—

" '(2) by amending paragraph (5) of subsection (a) to read as follows:

" '(5) sound recordings;';

"(3) by striking out the period at the end of paragraph (6) of subsection (a) and inserting in lieu thereof a semicolon and the word 'and';

"(4) by adding at the end of subsection (a) the following:

" '(7) printed educational reference charts, permanently processed for preservation.';

"(5) by inserting '(including cooperative processing by libraries)' immediately following 'loaned or exchanged' in paragraph (1) of subsection (b);

"(6) by striking out the word 'students' immediately preceding the word 'notations' in paragraph (1) of subsection (a) and in paragraph (2) of subsection (b);

"(7) by striking out:

" '(D) bound volumes of periodicals;

" '(E) phonograph recordings; and" in paragraph (2) of subsction (b) and inserting in lieu thereof:

" '(D) periodicals, whether bound or unbound;

" '(E) sound recordings; and'; and

"(8) by striking out 'and catalog of those items' in subesction (c) and inserting in lieu thereof 'scientific or mathematical kits, instruments, or other devices and catalogs of those items, and guides or scripts prepared solely for use with such materials'.

"(b) Sections 204(d), 204(e)(1), and 204(e)(2) of the Postal Rate Revision and Federal Employees Salary Act of 1948, as amended by the Act of July 14, 1960 (74 Stat. 479; Public Law 86–644), are hereby repealed.

"METHOD OF DETERMINING GROSS RECEIPTS

"SEC. 10. Section 711(c) of title 39, United States Code, is amended by striking out 'Public Law 85–426' and inserting in lieu thereof 'any Act of Congress enacted on or after May 27, 1958'.

"COMMUNIST POLITICAL PROPAGANDA

"SEC. 11(a) Section 505 of title 39, United States Code, is amended by inserting immediately after the first sentence and before the second sentence in subsection (a) thereof, the following sentence: 'In furtherance of this authority to counteract adverse usage of the mails and to reduce the domestic postal deficit, no international mail handling arrangement under which any postal rate, whether or not reciprocal, is established, shall permit the receipt, handling, transport, or delivery by the United States Post Office Department of mail matter determined by the Attorney General to be Communist political propaganda.'

"(b)(1) Chapter 51 of title 39, United States Code, is amended by adding at the end thereof the following section:

" '§ 4008. Communist political propaganda

" 'No United States postal rate established by the Postage Revision Act of 1962 shall be available for the receipt, handling, transportation, or delivery of mail matter determined by the Attorney General of the United States to be Communist political propaganda financed or sponsored directly or indirectly by any Communist controlled government.'

"(2) The table of contents of such chapter 51 is amended by inserting

" '4008. Communist political propaganda.'

immediately below

" '4007. Detention of mail for temporary periods.'

"EFFECTIVE DATE

"SEC. 12. The foregoing provisions of this Act shall become effective on July 1, 1962."

Mr. JAMES C. DAVIS (interrupting reading of the amendment). Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JAMES C. DAVIS. Mr. Chairman, I would like to inquire as to when it will be in order to offer an amendment to the amendment which is now being read, whether it must be offered as the section is reached in reading, or wait until the entire amendment is completed?

The CHAIRMAN. The Chair will state that the entire amendment must be read before an amendment would be in order.

Mr. JAMES C. DAVIS. I thank the Chairman.

(The Clerk concluded the reading of the amendment.)

Mr. MURRAY. Mr. Chairman, my amendment makes changes in the committee bill which fall in two general categories, and also includes section 11 of the committee bill on Communist propaganda.

First, the postal policy provisions of existing law are strengthened and improved. Second, rate increases are provided at levels which, with the new policy, will wipe out the postal deficit and provide the full amount of the additional postal revenues which are required under the President's budget submitted to the Congress last Thursday.

The postal policy provisions of my amendment correct certain deficiencies in existing law and establish a firm and proper formula for the determination each year of the costs of postal services which are truly public services and, as such, should be charged to the general fund of the Treasury under well-established principles of public policy and the national interest. Examples of such public services are free mail for the blind, free-in-county mail, and mailings at reduced rates by qualified nonprofit organizations. Applying this formula, an estimated $248 million of postal costs for these public services will be borne by the general fund of the Treasury for the fiscal year 1963. This is about $95 million less than the $341 million public service charged to the taxpayers under the reported bill, which improperly designates as "public services" such historically sound, efficient, and necessary postal activities as rural routes and third- and fourth-class post offices, the cost of which it would have shifted to the taxpayers with no charge to users of the mails.

The rates in my amendment for first-class letter mail and airmail letters, as well as post cards and postal cards, are the same as those in the reported bill. Approval of these rates is imperative in order to provide the necessary measure of additional postal revenues. The first-class postage stamp at 5 cents will still be the best bargain in America. These rates are fully justified by priority of service and the absolute privacy guaranteed for a sealed first-class letter, as well as the fact that the postal service exists primarily to render the preferred first-class mail service to 181 million Americans.

The first-class letter increase from 4 to 5 cents is only a 25-percent increase, and the airmail letter increase from 7 to 8 cents is only a little over 14 percent. The first-class letter rate remained at 3 cents from 1932 until 1958, when it was changed to 4 cents—a 33⅓-percent increase. The legislation before us adds another 25 percent, or a total increase of only 58 percent since 1932—a very moderate increase, in comparison to the heavy increases imposed on second- and third-class mail.

Second-class, or publishers', rates for mailing commercial publications beyond county were increased by 30 percent in 1951 and again by 54 percent under the Postal Rate Increase Act of 1958.

The most important postage rate on third-class matter—the minimum charge per piece on bulk mailings of advertising circulars and so forth—already has been raised 150 percent since 1951, and when the adjustments in my amendment become effective will have been increased 170 percent during this period.

My amendment, therefore, will overcome the chief objection—and, in my judgment, a fully justified objection—to the reported bill during the debate on the rule last September 15. The watered-down version reported hastily in

the closing days of the first session placed almost the entire burden of postal rate increases on users of first-class mail, with comparatively minor upward adjustments in second- and third-class rates. My amendment will correct these serious deficiencies. As pointed out in the Postmaster General's official report, under my amendment there will be a "fair apportionment of postal costs between taxpayers and users of the mail" and "costs ascribed to mail users will be assessed equitably among all mail classes."

The new rates will become effective July 1, 1962, except that the fixed charge per piece on second-class mail will be made in two steps; one-half cent will be effective July 1, 1962, and be increased to 1 cent a year later, on July 1, 1963.

My amendment makes no change on second-class mailings within county or on mail for the blind. It also continues the present rates on educational materials, on classroom publications, and on mailings of qualified nonprofit organizations.

Mr. JAMES C. DAVIS. Mr. Chairman, I offer an amendment to the Murray amendment.

The Clerk read as follows:

Amendment offered by Mr. JAMES C. DAVIS to the amendment offered by the gentleman from Tennessee, Mr. MURRAY: On page 3, line 25, insert "and newspapers" immediately before "by section 4360 of this title".

On page 4, line 11, insert "and newspapers" immediately following "publication".

On page 4, line 23, insert "(a)" immediately before " 'The minimum rate".

On page 5, line 6, strike out the quotation marks.

On page 5, immediately following line 6, insert the following:

"(b) The minimum rate of postage for each individually addressed copy of a newspaper mailed for delivery beyond the county of publication is one-half cent."

Mr. JAMES C. DAVIS. Mr. Chairman, when the rule on this bill was before the House last September the membership pretty decisively expressed itself as not wanting a bill of this nature crammed down the throats of the Members without having an opportunity to express themselves in the way of amendment. I hope we are not going to see an effort made to cram a bill down our throats today without opportunity of offering amendment or due consideration given them, such amendments as may be in order to this bill.

The amendment which has just been read has this simple effect: You will see on an analysis of that part of the Murray amendment dealing with second-class mail, over in the right-hand column effective July 1, 1962, a one-half-cent-per-piece increase on newspapers mailed out of the county of publication; there is another increase of one-half cent per piece—a total of 1 cent per piece—increase on newspapers mailed out of the county of publication. The effect of this amendment would simply be to eliminate that provision as it applies to newspapers.

There are a number of small newspapers which exist just on the ragged edge. This Murray amendment, I am confident, would put some of those newspapers completely out of business. The American Newspaper Publishers Association gave me this statement: That this provision in this bill would impose a 100-percent increase on second-class postal cost of the Raleigh (N.C.) News & Observer; a 135-percent increase to the Aberdeen (S. Dak.) American News; a 66-percent increase to the Rutland (Vt.) Herald; and a 124-percent increase to the Dothan (Ala.) Eagle.

I have served on this committee for 15 years. I have heard testimony on postal rate increases year after year. I want to call your attention to the fact that newspapers have already had a very substantial increase imposed on them in recent years. In 1951 a 30-percent increase in postal rates was imposed on newspapers in the form of a three-stage increase, 10 percent per year. In 1958 there was an additional three-stage increase imposed on newspapers of 18 percent per year for 3 years, totaling 54 percent. The last annual increase just went into effect just last year. So they have had substantial rate increases, and these tremendous increases to which I have just called your attention on these small newspapers would be, in my opinion, exorbitant and almost intolerable.

This is an entirely new ratemaking proposal. We have never in the past placed any such burden on newspapers as the per-piece burden that is proposed to be placed on them now in this provision.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. JAMES C. DAVIS. I yield.

Mr. JENSEN. Is it not a fact that to place an excise tax on anything except in time of war is a departure from congressional procedure? I do not remember of an excise tax ever before being proposed or imposed on anything in peacetime.

Mr. JAMES C. DAVIS. I do not know why it was thought advisable to place this type of increase on newspapers.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. JAMES C. DAVIS. I yield.

Mr. ANDREWS. I want to commend the gentleman for offering this amendment. I intend to support it. I think should this tremendous increase be allowed to take effect it would work a great hardship on many newspapers, especially in rural areas.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

(Mr. JAMES C. DAVIS (at the request of Mr. ABBITT) was allowed to proceed for 5 additional minutes.)

Mr. HARSHA. Mr. Chairman, will the gentleman yield?

Mr. JAMES C. DAVIS. I yield to the gentleman from Ohio.

Mr. HARSHA. As I understand the gentleman's amendment, it would reinstate the present rate that is now in existence on newspapers. Is that correct?

Mr. JAMES C. DAVIS. The current rate would remain in effect. It is based on sound principles, it is based upon the advertising content in the newspaper, it is based upon the zone to which the newspaper is mailed, and it is based on factors which have a reasonable application to the business of the newspaper.

Mr. HARSHA. I want to commend the gentleman and say that I will support his amendment.

Mr. JAMES C. DAVIS. I thank the gentleman.

Mr. LOSER. Mr. Chairman, will the gentleman yield?

Mr. JAMES C. DAVIS. I yield to the gentleman from Tennessee.

Mr. LOSER. Mr. Chairman, I rise in support of the amendment offered by the distinguished gentleman from Georgia.

Mr. Chairman, at the outset, let me say that I will support a postal rate increase bill today. I would be happy to support H.R. 7927, reported by the Committee on Post Office and Civil Service last year. I supported the rule in 1961. I am fully aware of the tremendous annual deficit now existing in the Post Office Department today which, I believe, amounts to something in the neighborhood of $830 million.

This gap between receipts and disbursements is unreasonable. The President says that a balanced budget for fiscal year 1963 is dependent in part on a postal rate increase. It is my considered opinion that a balanced budget is imperative. We all know that the interest on our national debt approaches $9 billion annually. However, I do not believe that a disproportionate increase in the rate exacted for the delivery of daily newspapers outside the county of publication should be exacted.

It is for this reason I support an amendment to the substitute offered by the distinguished chairman of the Post Office Committee which raises the rate about 55 percent on second-class mail. This increase is an unreasonable burden on daily newspapers. My colleague, the gentleman from Tennessee [Mr. MURRAY], seeks to raise the rates on newspapers some $30-odd million in excess of the rates fixed in his commitee bill of last year.

H.R. 7927, now pending before the House, raises the rates on second-class mail some $57 million, and under the proposed amendment of the distinguished chairman the rate is increased in such an amount as to raise some $93 million in excess of the present rate. I repeat, this, in my opinion, is a disproportionate burden to place on our great newspapers.

In 1958 there was a 54-percent increase on second-class mail. It was estimated then that this increase would produce $77 million. However, it only produced $25 million. This illustrates rather sharply a point I want to make. It has to do with diminishing returns.

When this increase of 1958 became effective our newspapers could not stand this 54-percent increase on second-class mail. What do they do? Many of our great daily newspapers throughout the country ceased to use the postal service for the delivery of their papers outside the county of publication. They employed trucks and newsboys to deliver these papers. This was the reason for the discrepancy between anticipated revenue and actual receipts. It was a loss of $52 million. The anticipated returns from the 1958 increase diminished

from $77 million to $25 million. And if the Murray amendment is agreed to the $93 million anticipated revenue will diminish to a greater extent than that which occurred after the 1958 amendment became effective.

I realize that great dailies like the New York Times and the Wall Street Journal cannot resort to Greyhound buses and newsboys for the delivery of their out-of-county papers, but our great dailies that circulate for a radius of 100 miles outside of the county of publication will not submit to this unreasonable increase in postal rates.

In my own district, the capital city and county of Tennessee, Nashville, we have two great newspapers, and their circulation extends even beyond a radius of 100 miles from the county of publication. Under present rates their postal charges now approximate $160,000 annually. A 55-percent increase over the present rates will be unbearable. The traffic will not bear it. As a matter of fact my publishers tell me that if the Murray amendment is agreed to, and it becomes the law, the delivery of their papers outside the county of publication will be done by truck and carrier. As a matter of fact, they believe such a means of delivery can be employed at a lower annual cost under present rates.

Therefore, I support an amendment the effect of which will keep the present rate for daily newspapers the same as presently.

Mr. ABBITT. Mr. Chairman, will the gentleman yield?

Mr. JAMES C. DAVIS. I yield to the gentleman from Virginia.

Mr. ABBITT. Mr. Chairman, I commend the gentleman on offering this amendment, and I desire to associate myself with him. I hope that the Committee of the Whole will adopt the amendment he has offered.

Mr. JAMES C. DAVIS. I thank the gentleman.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. JAMES C. DAVIS. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. As I understand it, the gentleman's amendment would leave second-class mail as it relates to newspapers at the present rate, is that correct?

Mr. JAMES C. DAVIS. Yes.

Mr. ROGERS of Colorado. Has the gentleman made any study to determine what the cost may be to the newspaper, the county newspaper, that sends newspapers beyond the county line, what that cost may be?

Mr. JAMES C. DAVIS. I have made a study as to the aggregate amount of revenue to be effected in this bill by my amendment. It has been calculated by our committee staff this amendment of mine, if adopted, would only take some $21 million out of this bill which in total provides for $550 million.

Mr. ROGERS of Colorado. $550 million?

Mr. JAMES C. DAVIS. The bill will bring in, as now written, $550 million. This amendment would take only $21 million out of that total, but it would be of incalculable benefit to these small newspapers which are now operating on such a small margin of profit that some of them would undoubtedly have to go out of business.

Mr. ROGERS of Colorado. Do I understand the $21 million would be newspapers alone?

Mr. JAMES C. DAVIS. Yes.

Mr. ROGERS of Colorado. Those newspapers may be mailed beyond the county where printed?

Mr. JAMES C. DAVIS. That is correct.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. JAMES C. DAVIS. I yield to the gentleman from Kentucky.

Mr. CHELF. I understand the gentleman's amendment will affect more or less those small newspapers that have a circulation of 10,000 or less?

Mr. JAMES C. DAVIS. It would affect all newspapers. It would affect the small ones. It would have a much more beneficial effect on the small ones than the large ones because the larger ones distribute theirs by carrier.

Mr. CHELF. It would protect those in the category of the small country towns that have a circulation of 3,800, 4,000, or 5,000?

Mr. JAMES C. DAVIS. Yes.

Mr. CHELF. That is why I am going to support the gentleman's amendment.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. JAMES C. DAVIS. I yield to the gentleman from Iowa.

Mr. JENSEN. Whether or not the newspapers affected by your amendment go across a county line?

Mr. JAMES C. DAVIS. This would affect those that do not come under the free-in-county provision. It would affect that part of them which does not come under the free-in-county provision.

Mr. JENSEN. I want to get this straight in my mind, and I think others do too.

You have many newspapers in your district, as I have in mind, small newspapers, weekly newspapers for instance, that go across the county line.

Mr. JAMES C. DAVIS. I will say this, if the bill as now proposed by the Murray amendment is adopted, every one of those newspapers which goes across county lines will have to pay an additional charge of 1 cent per copy. My amendment eliminates that 1-cent-per-copy charge.

Mr. JENSEN. Good, I thank the gentleman.

Mr. CHENOWETH. Mr. Chairman, will the gentleman yield?

Mr. JAMES C. DAVIS. I yield to the gentleman from Colorado.

Mr. CHENOWETH. The gentleman recalls my conversation with him concerning the newspaper situation. I understand your amendment will take care of all newspapers going across county lines.

Mr. JAMES C. DAVIS. It will.

Mr. CHENOWETH. Regardless of the size of the newspaper, and the rate will remain as it is at the present time?

Mr. JAMES C. DAVIS. That is correct.

Mr. CHENOWETH. There is no increase for papers going across county lines. I commend the gentleman for offering the amendment, and he will have my complete support.

Mr. JAMES C. DAVIS. I thank the gentleman.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. JAMES C. DAVIS. I yield to the gentleman from Iowa.

Mr. HOEVEN. I am heartily in accord with the gentleman's amendment, and I hope it will be adopted. It only gives a square deal to these country newspapers which otherwise would be adversely affected.

Mr. JAMES C. DAVIS. I thank the gentleman.

(Mr. MARSHALL asked and was given permission to revise and extend his remarks.)

Mr. MARSHALL. Mr. Chairman, at the appropriate time, I intend to offer the following amendment to the amendment proposed by the distinguished chairman of the Committee on Post Office and Civil Service:

On page 3, line 25, insert the words "or religious" immediately before "publications";

And on page 4, line 10, insert the words "or religious" immediately following "a classroom";

And on page 4, line 14, insert the words "or religious" immediately following "other than classroom";

And on page 5, line 1, insert the words "or religious" immediately following "a classroom".

The purpose of the amendment, Mr. Chairman, is simply to continue our policy of encouraging the dissemination of religious publications in the national interest. The amendment will not greatly affect the revenues which the legislation is intended to produce. It is merely a minor, but logical, extension of the policies continued in the chairman's amendment.

Although they are not supported by the great wealth of the large mass-circulation publications, these religious magazines make an immeasurable contribution to the spiritual and moral strength of the Nation. Because advertising income is so small a part of their revenues, they must rely upon reasonable subscription rates both for operating income and for sufficient circulation. Their problems in this regard are identical to those of the educational and classroom publications we exempted in 1951 because increased rates would have been so burdensome as to force their discontinuation.

At the very time when so many of our constituents are especially concerned with more stringent legislation against obscene and pornographic literature, it would be foolhardy to impose penalties on those publications which are the best preventive and the best antidote. Even apart from this important consideration, these religious magazines make a special claim upon us because of their positive commitment to the moral values we have always regarded as basic to our national life and national purposes.

Like the classroom publications already exempted, these religious publications plan an enormous role in the education of youth. Here again, their con-

tinued success depends upon maintaining subscription rates that will encourage as wide a readership as possible.

Like the publishers of classroom materials, these religious corporations have willingly assumed the responsibility of paying local, State, and Federal taxes. Their primary purpose for existence is to publish and distribute religious literature and their survival depends upon mail rates commensurate with their ability to pay and the high purpose for which they are organized.

It must also be noted that these religious publications often reach into other nations and the expense of such distribution must be borne by their domestic editions. Use of such publications in other countries fulfills one of the major objectives of our national policy by effectively demonstrating a central aspect of the life and culture of the people of the United States. There is no better way to give concrete evidence of our spiritual tradition. Few publications so well illustrate the richness and depth of the American heritage. They are potent weapons in the forefront of the ideological offensive against world communism. Often printed in the language of the countries they serve, their message is carried directly to the people.

All of us know that religious and educational publications are not lucrative enterprises. They fight for survival each year, seeking only to reach more and more readers with a message that has never lost its urgency. Their corporate organization and financial structures are largely a matter of legalism imposed by the complicated society in which we live. What we must do is balance the insignificant amount of revenue involved in this amendment against the tremendous contribution the religious publications make to the common good. Viewed in this light, Mr. Chairman, I am confident that the House will accept the amendment.

Mr. CORBETT. Mr. Chairman, will the gentleman yield at that point?

Mr. MARSHALL. I yield to the gentleman from Pennsylvania.

Mr. CORBETT. I think maybe the gentleman from Tennessee, Mr. MURRAY, could answer this, but I believe that the effect of the gentleman's amendment is contained in the Murray amendment which makes no change in nonprofit magazine rates.

Mr. MURRAY. Mr. Chairman, if the gentleman will yield, you mean profit or nonprofit magazines.

Mr. MARSHALL. I am talking about magazines that dispense religious information. Some of those are profit and some are nonprofit. Now, so far as your proposal is concerned, you talk about nonprofit organizations. Some of the most powerful and influential magazines dispensing religious information in this country are those that are profitmaking organizations and come under the guise here of being in the shadow zone. I am certain that the chairman intends to do exactly what I have in my amendment, but unfortunately at this time, in a world conflict, in a cold war, it does not do, I am afraid, what the chairman intends be done. A number of these religious organizations are using these publications to publicize the American way of life in foreign countries, and in order to finance them they are making a slight profit on their circulation in this country. This would stop that sort of thing from happening. I think one of the most powerful things that we have in this cold war, in this battle against communism, is the effect that these magazines that publish religious information have when they reach these foreign countries.

The United States of America as a Christian Nation in the cold war has a terrific responsibility on its shoulders. Mr. Chairman, the magazines that fall in the category of religious magazines are doing an immense good in this world of ours. We should not, in my estimation, cripple in a postageway the operation of those magazines.

Mr. Chairman, we are saying much about what we are doing. We are assuming an aggressive attitude in this battle against pornographic literature, against Communist propaganda, and against juvenile delinquency. This is one way in which we can do it.

Mr. LESINSKI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we have heard arguments here by Mr. JAMES C. DAVIS and Mr. MARSHALL about the second-class rates provided for in this amendment. I supported their amendments. However, these are reasons why I was opposed to the Murray amendment. I did not think it was properly thought out. We in the committee turned down that very amendment offered presently by the chairman.

Mr. Chairman, we held many months of hearings in order to come up with a proper postage rate which took into consideration what the gentleman from Minnesota has said, and what the gentleman from Georgia has said.

Mr. JAMES C. DAVIS. Mr. Chairman, will the gentleman yield?

Mr. LESINSKI. I yield to the gentleman from Georgia.

Mr. JAMES C. DAVIS. The gentleman does not mean that the committee turned down my amendment?

Mr. LESINSKI. No, sir. I did not intend to leave that impression. As I stated, in the committee we were very careful. The committee reported out my bill last year. It considered these very things. I happen to know what the gentleman from Minnesota [Mr. MARSHALL], said about the Catholic Digest is true. This publication is sent to Panama, France, East Germany, England, and other parts of the whole world. They translated into their respective languages. Therefore I again ask the House to turn down the Murray amendment and act upon the original bill.

Mr. MURRAY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, although I hold the highest regard for the distinguished gentleman from Georgia [Mr. JAMES C. DAVIS], my colleague on the Post Office and Civil Service Committee, I am opposed to his amendment.

Mr. Chairman, the amendment is subject to three major objections: It would cost $21 million a year, and cut that amount out of the necessary additional postal revenue provided for by my substitute. It would be highly discriminatory as between the group of second-class mail users and would give special preference to all newspapers, including the great metropolitan newspapers. It also would create unnecessary and undesirable further complications in the already complex second-class postal rate schedule.

Mr. Chairman, I believe that the amendment exempting newspapers from the rate increase provided for by the substitute should be voted down.

Mr. JAMES C. DAVIS. Mr. Chairman, would the gentleman yield for a question?

Mr. MURRAY. Yes, I yield to the gentleman from Georgia.

Mr. JAMES C. DAVIS. The distinguished gentleman has just made the statement that this amendment would create new complications in handling second-class matter.

Mr. MURRAY. I said that it would cost $27 million; there would be a reduction of that amount of revenue.

Mr. JAMES C. DAVIS. I was not referring to that. I made that statement myself. But the gentleman just made the statement that my amendment, if adopted, would create new complications in the handling of second-class mail. I would like to ask the gentleman if it is not a fact that the situation that now exists would continue to exist if my amendment is adopted. Would my amendment create any new situation in handling second-class mail, or would not the situation remain just as it is?

Mr. MURRAY. It would create unnecessary and undesirable complications as I have stated. It would call for a recomputation of the rates.

Mr. JAMES C. DAVIS. Mr. Chairman, if the gentleman will yield further, if my amendment would create any complications, those complications already exist, because my amendment would simply retain the present status.

Mr. MURRAY. Our committee has been very fair to second-class publishers of newspapers and magazines. I certainly do not think that this rate, which is exceedingly reasonable for newspapers and magazines, should be lowered.

Mr. JAMES C. DAVIS. This would not lower the rate. It would simply retain it as it is.

Mr. BOGGS. Mr. Chairman, I rise in opposition to the Davis amendment.

Mr. Chairman, I think a study of the Murray amendment would indicate that the chairman of the committee has sought to assess these charges in the most equitable fashion possible. The only way one can consider the Davis amendment is to look at the whole package, not to look at one segment of the bill which is now before us for consideration.

This bill raises first-class rates, those used mostly by the housewife, the small businessman, and business generally, to the extent of almost half a billion dollars, or $455,100,000 per annum. The third-class rate would go up to raise approximately $100 million or $93 million.

In the other class, second-class mail—and this is what is under discussion in this amendment—the total amount to be raised over a 2-year period is $53 million.

The gentleman from Georgia just directed a question to the chairman of the committee in which he asked whether the adoption of his amendment would complicate the rate structure. The answer is yes, for the simple reason that what the gentleman from Georgia seeks to do is to amend only one part of the Murray amendment, namely: that having to do with newspapers. The Murray amendment is a twofold amendment on second-class rates. It deals with newspapers and it deals with magazines. What would happen if we adopted the Davis amendment to the Murray amendment would be that we would have the old rate for newspapers and another new rate to be administered by the same Post Office Department for magazines.

Mr. Chairman, I submit that the proposal of the gentleman from Georgia is discriminatory on its face in that it seeks to create for the first time one rate for newspapers and another rate for magazines. Congress has always recognized the fact that magazines and newspapers serve a good and vital public purpose. Since the inception of the Republic, they have been subsidized and properly so. Today, newspapers and magazines pay only approximately 21 percent of the cost of transporting such publications in the mail. We are not saying in the Murray substitute that we are for abolishing the subsidy to the newspapers and the magazines. We are simply saying, in a two-step basis not fully effective until July 1963, that subsidy should be reduced.

The effect of the adoption of the Murray substitute would be to up the cost from a subsidy which now amounts to as much as 79 percent or more than that to approximately a 50-percent subsidy. I submit that that is a fair proposition.

Let us look at this from the point of view of revenue. I cannot believe for one moment that the great newspaper industry in this country and, mind you this makes no distinction between newspapers—I cannot believe for one moment that the newspaper industry which prides itself on freedom, and freedom from Government control—would come here and make this kind of plea for $21 million. That is what is involved here. For $21 million we move from a position of 79-percent subsidy to a position of 50-percent subsidy.

Then there is another area of discrimination which I am sure most of you are aware of. Many of the newspapers in our country have been somewhat abashed about this subsidy and they have moved away from the subsidy, they have moved to paying their own way and more and more newspapers provide their own delivery service. They do not use the Post Office. But, we are saying here, if we adopt this amendment, that we will penalize the papers that have shown that kind of initiative to cut off Government subsidies, and that we would reward those papers that have not shown such initiative. In my judgment, this is the very kind of thing that most newspapers are against, and I cannot believe for one moment that they would countenance this.

Finally, Mr. Chairman, I am not here to make a plea for magazines. But, if we are going to have a rate increase, I do not know how the House of Representatives of the United States can justify an increase in the rate of magazines of 1 cent a copy and not increase the rate on out-of-county newspapers at the same time. The magazines have had full-page advertisements in the newspapers describing and pointing out their plight. I do not know whether these figures are justified or not. I suspect that they are not because the total amount involved here is $53 million. But we certainly cannot make fish of one and fowl of the other. I hope, Mr. Chairman, that this amendment will be considered in the light of the whole bill and will be rejected by the Committee.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. ROUSSELOT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I was delighted to hear the distinguished gentleman from Louisiana speak so vigorously on the subect of reducing subsidies in this postal bill, especially in second- and third-class mail. That is a position for which we on this side of the aisle have always fought, and I now hope that he will fight as vigorously to reduce subsidies in the farm program which I think need to be reduced also.

Many of us who sit on the Post Office and Civil Service Committee listened to the vast amount of argument by the great number of people who came before our hearings pleading special dispensation because their particular publication was different. We heard all these arguments which had the effect of proposing subsidies for the use of mails at the expense of the other users including first-class patrons, I agree with the gentleman that we should eliminate subsidies and have each class user pay their own way. I hope that the gentleman from Louisiana [Mr. BOGGS] will work as vigorously to reduce subsidies in the farm program, because those of us who live in the urban areas are tired of paying these large farm price supports.

Mr. Chairman, I yield back the balance of my time.

By unanimous consent the pro forma amendments were withdrawn.

Mr. JOELSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I believe it is high time we stop passing along rising postal costs to the users of first-class mail and that we should see to it that third-class commercial mail and magazines bear their fair share of the burden. If we are not willing to do this, we should let the cost be paid out of general tax revenues.

Since the Post Office Department concedes that first class mail at four cents is just about self-supporting, it makes sense that we look elsewhere for the revenue.

The Post Office Department also concedes that second and third class mail produce large deficits. Therefore, as matters now stand, the average person who sends a letter is subsidizing the costs of business circulars and magazines. Why should those who use the mail exclusively for profit get favored treatment over those who do not?

If the Congress wishes to give subsidies to mail order houses and magazines, it should do so openly by providing the funds from general revenues rather than by an unjustifiable increase in first-class mail rates.

[Mr. JAMES C. DAVIS addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. JAMES C. DAVIS] to the amendment offered by the gentleman from Tennessee.

The question was taken; and on a division (demanded by Mr. JAMES C. DAVIS) there were—ayes 65, nays 106.

So the amendment to the amendment was rejected.

Mr. JAMES C. DAVIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JAMES C. DAVIS to the amendment to H.R. 7927 offered by Mr. MURRAY: "On page 5, strike out subsection (a) of section 8, lines 12 through 22, and redesignate the following subsections of section 8 accordingly."

(Mr. JAMES C. DAVIS asked and was given permission to revise and extend his remarks.)

Mr. JAMES C. DAVIS. Mr. Chairman, I hope that I will have better success with this amendment than the one just voted on.

Mr. MURRAY. Mr. Chairman, will the gentleman yield?

Mr. JAMES C. DAVIS. I yield to the gentleman from Tennessee.

Mr. MURRAY. Mr. Chairman, so far as I am concerned I will accept the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. JAMES C. DAVIS].

The amendment to the amendment was agreed to.

Mr. OLSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OLSEN to the amendment offered by Mr. MURRAY of Tennessee: All of section 7 beginning on line 2 of page 8 and ending on line 4 is deleted and there is substituted therefor the following:

"SEC. 7. Section 4422 of title 39, United States Code, is amended by striking out '12 cents' and inserting in lieu thereof '14 cents'."

Mr. OLSEN. Mr. Chairman, I think my situation presents the fundamental objection to legislating in this manner.

The committee gave real sound consideration to the committee bill that has been before us. In that committee bill there was an increase in his particular section of the per pound rate for sending controlled circulation magazines through the mail. That increase was from 12 cents per pound to 14 cents per

pound. The increase was made because it would be keeping an equilibrium between the controlled circulation magazines and the magazine that has subscribers.

I have in my hand a controlled circulation magazine. That is sent without subscriptions to trades or to business people of a given class. It is a kind of catalogue magazine. It has no responsibility at all to the receiver. The responsibility is entirely to the advertiser.

For many reasons the history has been that the per pound rate of the controlled circulation magazine has some relationship to the cost of sending it through the mail, and it also has a relationship to the magazine which is subscribed for. That latter magazine has a responsibility to the subscriber.

In my left hand I have such a magazine. Its editorial policy has a responsibility to the subscriber because the subscriber invites it. He pays for this magazine.

We learn from the Post Office Department that the post office cost ascertainment report shows an income of 6 cents per piece from the controlled circulation magazine. That is the income from this magazine on the average. Now, the cost of sending it through the mails through the Post Office Department is estimated at 8.2 cents per copy. So, on the average the post office loses 2.2 cents every time it goes through the mails. I understand this is unsubscribed for—well, certainly wanted in many places, but it is not generally asked for. On the other hand, the other magazine which is subscribed for and which has a responsibility to the subscriber for its editorial content, that magazine on the average, according to the J. K. Lasser & Co. study made for Associate Business Publications, pays to the Post Office Department 5.8 cents per piece. The post office cost ascertainment report shows it costs 5.47 cents per piece to ship it through the mails. So, as a matter of fact, the post office is making a profit out of this particular type of subscribed-for magazine.

Now, the subscribed-for magazine is paying an increase in its rate of 1 cent a copy for going through the mails, but the non-subscribed-for magazine is going to experience the same rate as it had, namely, 12 cents a pound. Now, if the controlled circulation magazine rate was increased to 14 cents per pound, then it would have a corresponding increase to that of the subscribed-for magazine, and what is more, that would realize for the Post Office Department $1.3 million increased revenue. If we leave this magazine at present rate of 12 cents per pound and place the 3 cents minimum charge upon it, which is contemplated by the Murray amendment—incidentally, most of these magazines are heavy enough that they would pay more than this minimum, so for the most part there would be no increase on the controlled magazine—the Murray amendment would realize an increase of only $100,000. Now, if we are talking sincerely about increasing the rates for all the classes proportionately, as has been the case in past history, we should reinstate the increase which the committee voted. By the way, the committee considered this for 7 months. I voted for this increase that I am offering as an amendment to Mr. MURRAY's amendment now. I am asking that we amend the Murray amendment to make it the same as it was in the committee bill that came to the floor and realize a $1.3 million increase instead of the $100,000 increase.

Mr. BARRY. Mr. Chairman, I rise in support of the Olsen amendment.

Mr. Chairman, I would like to substantiate what the gentleman from Montana [Mr. OLSEN] has said. Certainly this is the type of circulation which has ample advertising in it. There is probably a maximum of advertising in this type of controlled circulation. Normally this circulation goes to one segment of an industry or to some group activity where everything contained therein is of advantage to the reader, and the reader is an advantage to the advertiser. The idea of increasing the rates on all other publications and leaving this one isolated instance with only a nominal increase of $100,000 would not be in the public interest. It is our responsibility to, first, raise revenue and, secondly, to treat all classifications of advertising media and publications equitably. I heartily encourage and urge you to support the Olsen amendment.

Mr. OLSEN. Mr. Chairman, I ask unanimous consent to correct my amendment. I sent up an amendment which was addressed to the pages of the original bill rather than the Murray amendment.

Mr. Chairman, I ask unanimous consent to modify my amendment and address it to page 5, line 8, section 7, by striking therefrom section 7.

The CHAIRMAN. Is there objection to the unanimous consent request of the gentleman from Montana to modify his amendment?

There was no objection.

The CHAIRMAN. The Clerk will report the modified amendment.

The Clerk read as follows: On page 5, line 8, strike out all of section 7, lines 8 through 10, and insert:

"SEC. 7. Section 4422 of title 39, United States Code, is amended by striking out '12 cents' and inserting in lieu thereof '14 cents'."

Mr. JAMES C. DAVIS. Mr. Chairman, I rise in opposition to the amendment.

(Mr. JAMES C. DAVIS asked and was given permission to revise and extend his remarks.)

Mr. JAMES C. DAVIS. Mr. Chairman, I rise in opposition to the amendment: It refers to a category of mail known as controlled circulation. One of the reasons why the small amount of revenue to be brought in by the increase which will be placed upon this category of mail is that it is such a small portion of our mail. There are not many of these controlled circulation magazines in publication.

Mr. Chairman, several facts demonstrate that this amendment should not be adopted. Both the Post Office Department and the chairman of the Committee on Post Office and Civil Service, who has prepared this Murray amendment, agree that the rate carried here is the proper rate for controlled circulation magazines. It does not leave them at the current rate. This Murray amendment increases the per-piece cost of controlled circulation magazines from 1 cent minimum per piece to 3 cents minimum per piece.

Mr. Chairman, the great reason why this amendment should not be adopted is that the large magazines which have been referred to as paying so much revenue here by the proponents of the Olsen amendment actually pay a smaller percentage of postage than the controlled circulation magazines. The controlled circulation magazines now pay a rate of postage 2½ times as high as the second-class magazines. This amendment would seek to increase that rate still further. In 1958 the controlled circulation magazines had their postage rate increased from 10 cents per pound to 12 cents per pound.

Mr. Chairman, magazines such as Ladies' Home Journal, the Saturday Evening Post, and all the other magazines which do operate at a profit average now 4.5 cents per pound on their postage; whereas the controlled circulation magazines now pay 12 cents per pound, and their rate was increased from 10 cents to 12 cents in 1958.

Mr. Chairman, where is the equity when these magazines already pay 2.5 times as much as the Saturday Evening Post, which is subsidized by the Post Office Department, as the Ladies' Home Journal, which is subsidized by the Post Office Department, as Time and Life, and all these other highly profitable magazines which we all know are subsidized by the Post Office Department by millions of dollars every year? Where is the logic and justice of the proposed increase on controlled circulation?

Mr. Chairman, where is the equity when these magazines already pay 2.5 times as much as the Saturday Evening Post, which is subsidized by the Post Office Department, as the Ladies' Home Journal, which is subsidized by the Post Office Department, as Time and Life, and all these other highly profitable magazines which we all know are subsidized by the Post Office Department by millions of dollars every year? Where is the logic and justice of increasing the postage rate of these little controlled publication magazines which already pay 2.5 times the rate of postage that these highly subsidized, profitable magazines pay?

It is a matter of justice and equity. Also these profitable magazines get preferential treatment. You get your Saturday Evening Post on the same day each week. When it is put into the Post Office Department it gets what they call red tag treatment, preferential treatment. The same with Life and Time and other profitmaking magazines. These controlled circulation publications do not get that treatment. They get third-class-mail treatment, which is not preferential. They are handled when the post-office employees have nothing else to do.

With all due respect to the gentlemen who are promoting this amendment it

looks like a dog-in-the-manger proposition. It is the profitmaking subsidized magazines undertaking to put out of business these smaller controlled circulation magazines which pay their own way.

Mr. CUNNINGHAM. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, these rate problems are very complicated and I can imagine they are quite boring to a good many Members. I have been a member of the committee for 5 years, now beginning my sixth year, and we members of the committee take a deep interest in these matters. We study them. We try to understand the problems involved in our work, as each of the Members of the House becomes a specialist in the field of activity of the committee of which he is a member. This is a very technical matter. We are not talking about any so-called little controlled publications. This is big business. Let me put this to you. Life magazine and Time, have no part in this discussion of this amendment. We are talking about a group of little business magazines, the type we call trade journals. That is what this amendment is about.

These business publications have editorial material in them and have interesting articles. Let us say it is about the hotel business. People in the hotel industry will subscribe to this magazine because it is a trade journal in which they are interested. They pay a certain rate for receiving this magazine. It is a legitimate operation. These publications are small; they are not large.

They are published at second class. On the other hand, we have a category that is not second class and it is not third class. It is a special class. It is called a controlled publication. These are primarily booklets composed of advertising. There may be a few articles, but very few; just a bunch of ads stapled together. This magazine is distributed free to a particular industry. Let us say again that it is the hotel industry. You can see what disadvantage that puts the small legitimate subscription people to. Controlled magazines are distributed free whereas the business magazines are paid a subscription fee. In addition they contain much editorial and news material for the industry to which they are available.

All we are asking here is that the controlled people who are a very severe and unfair competitor of the legitimate business publication receive the same rate increase that we are going to impose on the small business magazines.

There is another reason for this amendment. We think that all ought to be treated alike. I might say that the change in the piece rate from 1 to 3 cents for controlled publications means nothing, because the magazine weighs more than the minimum weight.

So it goes by the pound rate and this amendment will put the pound rate for controlled publications, the ones distributed free, at the same rate that we are going to charge legitimate business publications.

Mr. Chairman, I would like to add one further statement. We are just beginning the amendments to this bill. Our President wants to raise a certain amount of money. There is a likelihood that some of these rates will be knocked down. I do not know that they will be, but that is always a possibility. It has happened before. If you adopt the amendment offered by the gentleman from Montana [Mr. OLSEN] who has studied this very carefully in our committee, it will bring in an additional $1.3 million in revenue to the Post Office Department.

If you are thinking about this deficit and want to do something about it, here is something that will really help. As I said, there may be some reductions in rates. I have no notion that there will be, but it is always possible since it has happened before. In that event, this amendment ought to be adopted because here you are taking in an additional $1,300,000 and we all know that is a sizable sum of money.

The CHAIRMAN. The time of the gentleman has expired.

Mr. JAMES C. DAVIS. Mr. Chairman, I move to strike out the last word to make this additional statement before this amendment is voted upon.

Controlled publication mail is the only class of mail besides first-class mail which pays it own way. This is not costing the Post Office Department a penny. It does not receive preferential treatment that magazines receive under second-class rates. I have just discussed this with the staff of the committee and controlled circulation pays its own way. This is the only class of mail besides first-class mail that pays its own way and it would be grossly inequitable to put on this increase and make it pay a profit to the Post Office Department.

Mr. LESINSKI. Mr. Chairman, I move to strike out the last word and rise in support of the amendment.

Mr. Chairman, I support the Olsen amendment. It aims at solving some of the problems that were pointed out in the bill that was reported out last year. The points made by the gentleman from Georgia are correct, but on the other hand we, in the committee, felt that controlled circulation rates should have been raised from 12 cents to 14 cents. The reason for this is very simple. As the gentleman from Nebraska has stated, this is a special and separate advertising magazine. The manufacturers of a certain line of goods advertise in such a magazine. The magazine is then distributed to the members of that particular industry without their asking for it. It is true that controlled circulation is charged more for postage rates. On the other hand, the people receiving this mail do not ask for this magazine. That is point number one. Point number two is that controlled circulation industry is making more money than second- and third-class mail. Another point that you should consider is that second-class mail has certain concessions whereas controlled circulation does not. Therefore, it averages out. That is another point. Then still another point is that by leaving controlled circulation rates at 12 cents, it amounts to a move to put controlled circulation in second-class mail. I wish my colleagues would keep these points in mind. This is a move to put controlled circulation in second-class mail.

Mr. OLSEN. Mr. Chairman, will the gentleman yield?

Mr. LESINSKI. I yield.

Mr. OLSEN. I only wanted to make this comment concerning whether or not controlled circulation is paying its own way: The Post Office cost ascertainment report shows an income of 6 cents per piece from controlled circulation against a cost of 8.2 cents per piece to the Post Office Department for handling it. Thus by the Post Office cost ascertainment report they are not paying their own way.

Now, I want to submit the comparison with the subscribed-for, invited magazine. The magazine invited by subscription pays on the average 5.8 because it goes through many zones. When it gets to the most distant zone it is paying a higher rate by far than its competitor.

Mr. LESINSKI. That is correct.

Mr. OLSEN. So it averages out that the subscribed-for magazine is paying 5.8 to be carried through the mails, yet the cost to the Post Office Department is less than that by almost one-half percent; 5.47 cents is the cost to the Post Office Department of moving it through the mails.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. LESINSKI. I yield.

Mr. BOGGS. I have listened to the statements of the gentleman from Montana and I must say I am somewhat concerned by his last statement. The gentleman said that the distributors of these magazines were paying a possible charge of 8½ cents. Is that correct?

Mr. OLSEN. That is not right. It is about 5.8 cents.

Mr. BOGGS. The gentleman proposes to raise that, does he not?

Mr. OLSEN. It is in the Murray bill that second-class subscribed-for magazines be raised 1 cent per copy.

Mr. BOGGS. Does it not raise it on a percentage basis in comparison with other types of magazines? Is that not right?

Mr. OLSEN. No; the subscribed-for magazines are raised 1 cent per copy. The only raise in the Murray amendment wtih regard to controlled-circulation magazines is the minimum charge, for these magazines weigh so much.

Mr. BOGGS. I think the gentleman has missed the essential point which is that these magazines are already paying more than other types of magazines.

Mr. OLSEN. No, they are not. They are not paying as much as the subscription-type magazines.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. LESINSKI] has expired.

Mr. BARRY. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, in reply to the statement by the gentleman from Montana [Mr. OLSEN], I want to refer to the last cost ascertainment report as contained in the hearings. It shows these figures: Revenues from controlled circulation

were $7,519,724; whereas the obligations, or the costs, were $10,346,288. So there is a substantial deficit on this class of mail.

I think what the gentleman from Montana is attempting to do here is to restore what the Department itself says it wanted last year, because this amendment offered by the gentleman from Montana attempts to put into this bill by an amendment to Mr. MURRAY'S amendment the same identical thing the Department came down to our committee last year and said they wanted. This would increase their revenues by 1.2 millions and would knock out part of the deficit from controlled circulation the exact loss figures being those figures which have just been read to you from the most recent cost ascertainment report of the Post Office.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana [Mr. OLSEN].

The amendment was agreed to.

Mr. HECHLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HECHLER to the amendment offered by Mr. MURRAY of Tennessee: On page 6 in the table immediately following line 4, strike out "16" and insert in lieu thereof "21"; strike out "12" and insert "18" in lieu thereof; and on page 6, in the table immediately following line 6, in the table immediately following line 6, strike out "3" and insert in lieu thereof "3½".

Mr. HECHLER. Mr. Chairman, this amendment, in the first place, does not affect in any way nonprofit organizations nor does it affect second-class rates. It deals only with third-class rates for other than nonprofit establishments. It merely provides for increases in the rates of so-called junk mail from a minimum per piece of 3 cents as proposed in the Murray amendment to 3½ cents. It also provides for increases of bulk mailings of material of 24 pages or more put out by other than nonprofit organizations from 12 cents per pound as provided in the Murray amendment to 18 cents per pound. On bulk mailings, the per pound rate goes up from 16 cents as provided in the Murray amendment to 21 cents per pound.

Mr. Chairman, I would like to pay tribute to the Committee on Post Office and Civil Service. It has done a very fine job, working for 7 months, after which they came out with exactly the rate I am proposing in my amendment.

The Murray amendment would lower the rate on third-class mail from what had been proposed in H.R. 6418, and I believe the third-class rate should be raised to 3½ cents minimum per piece for circulars, which would produce new revenues of $100.4 million.

Let me ask a question: Would you like to make a hundred million dollars for the U.S. Government?

The last amendment offered by my very good friend from Montana [Mr. OLSEN], for which I voted, will net $1.3 million in new revenues. My amendment, according to the figures I have received from the Post Office Department, will bring in something like $161 million of revenue from third-class mail as compared with only $93 million under the Murray amendment.

Under unanimous consent, I would like to insert the following table prepared by the Post Office Department to indicate more precisely how my amendment would affect third-class revenues, as contrasted with the Murray amendment:

	Hechler amendment to Murray amendment		Murray amendment	
	Rate	New revenues	Rate	New revenues
		Millions		*Millions*
Single piece rate	4 cents 1st 2 ounces; 1½ cents each additional.	34.5	Same	34.5
Bulk rate regular:				
Circulars, etc	21 cents per pound	7.4	Present rate	0
	3½ cents minimum per piece	100.4	3 cents minimum per piece	52.7
Books, catalogs, etc.	18 cents per pound	14.8	12 cents per pound	3.8
	3½ cents minimum per piece	3.9	3 cents minimum per piece	2.0
Nonprofit	Present rates		Present rates	
	Total new 3d-class revenues, Hechler amendment.	161.0	Total new 3d-class revenues, Murray amendment.	93.0

The people are fed up to the teeth with the junk which stuffs their mailboxes in third-class mail. The people cannot understand why we should be raising first-class and airmail rates and in effect subsidizing the third-class mailers. The third-class mailers are businessmen, small and big. I believe that when a business firm advertises in a newspaper or magazine, or over the radio or television, or puts up a billboard, the business pays the full cost of such advertising. Why, then, should business expect the taxpayers of the Nation to subsidize their advertising which they do by third-class mail? I say we should stop these third-class subsidies and raise third-class rates so such mailings will more nearly pay for themselves. Only then should we talk about raising first-class and airmail rates.

The amendment I have proposed will bring the revenues from third-class mail more nearly in line with the cost to the Government.

And so it seems to me you have here this afternoon a wonderful opportunity to strike a blow for liberty: first, to take a swat at junk mail, which none of us likes; and second, to bring in vast new revenues to the U.S. Government. New revenues of over $100 million alone will come in to the Treasury if we raise the minimum piece rate on circulars to 3½ cents.

Mr. Chairman, I urge adoption of my amendment.

Mr. CORBETT. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from West Virginia [Mr. HECHLER].

Mr. Chairman, I was greatly surprised that a gentleman coming from a State which is supposed to have one of the higher rates of unemployment would propose the termination of a $20 billion a year business. That is what he is proposing here.

He is attempting to put direct mail out of business by charging the industry according to his figures with some $150 million or $190 million of new postal rates. He might as well have moved to eliminate direct mail advertising.

The Secretary of Commerce in testifying before our committee pointed out that this industry, from the time the first advertising goes out until the transaction is completed, aggregates over $20 billion a year. They directly employ some 41,000 people. And to think that a gentleman, who should be familiar with the woes of unemployment, would come along here and propose that a rate go up from what we believe is an extremely high figure—from 3 cents a piece to 3½ cents a piece—is amazing to me. Let us put this in terms of dollars.

Third-class mail used to go out at $10 a thousand. Then, through a series of raises, we put it up to $15 a thousand, then $20 a thousand. It is now $25 a thousand. This is the kind of direct mail many of you folks used in your campaign, so you are familiar with it. The Murray amendment puts it up to $30 a thousand.

Now the gentleman comes along and wants to make it $35 a thousand. I would say just offhand that I have heard of no amendment yet to be offered to this bill that deserves such a sound defeat as this one.

Mr. HECHLER. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. I yield to the gentleman from West Virginia.

Mr. HECHLER. The gentleman referred to the fact that I was trying to drive people out of business by this amendment. I certainly do not think so. The gentleman, when he was on the committee, and who originally participated in bringing out the original bill, which was precisely the same——

Mr. CORBETT. Listen, I am glad you brought that up, because I want to correct that error. The bill reported from committee, H.R. 7927, did not raise the minimum base rate. It left it 2½ cents.

Mr. HECHLER. I was referring to this figure on the analysis of proposed postal pay revision.

Mr. CORBETT. Well, the gentleman simply stated it wrong. This was a proposal that somebody made to the committee. The committee turned it down. And, instead of taking the 3½-cent rate, they took the 2½-cent rate with other increases.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. I yield to the gentleman from West Virginia.

Mr. BAILEY. You are speaking now about what you say is a $20 million business.

Mr. CORBETT. Billion.

Mr. BAILEY. There must be some advantage to the groups engaged in that kind of business by utilizing the cheapest kind of advertising they can get, and that is this third-class mail.

Mr. CORBETT. I am going to ask the gentleman, Do you utilize this class of mail? Do you utilize third-class mail?

Mr. BAILEY. Most of it hits the wastepaper basket.

Mr. CORBETT. Do you utilize this class of mail, is the question.

Mr. BAILEY. No, I do not.

Mr. CORBETT. You do not know much about it, then.

Mr. BAILEY. Certainly, I do know enough about it. That kind of business that can be built up to the size you say must have been taking advantage of every possible means, and if they are taking advantage of this cheap rate, let them pay for it.

Mr. CORBETT. I think the gentleman would help himself if he utilized a little bit of this and understood it better. I think this amendment should be defeated.

Mr. JOELSON. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. I yield to the gentleman from New Jersey.

Mr. JOELSON. This is a business whose only stock in trade is the use of the postal facilities, and this is what they are in business for, using the mails——

Mr. CORBETT. I refuse to yield any further. The gentleman is just illustrating what the gentleman from Montana said. Here is something that is not understood.

Mr. LESINSKI. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. I yield to the gentleman from Michigan.

Mr. LESINSKI. That is the point. The fact is that this generates millions of dollars of revenue, which is important to America.

Mr. CORBETT. It is the come-on of the Post Office.

Mr. HERLONG. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I just want to tell you folks a little story that happened to me one time which will give you some example of just how this mail is used. I happen to be associated with some people who are in the business of selling automobiles. They started blanketing the county with this occupant mail, and I had a lot of people send it to me during the time I was campaigning for reelection to Congress. "Is this the kind of stuff," they said, "that you are permitting to go through the mails?" It had my name on it, bless your hearts. I called up the company and said to the manager, "Why in the world are you sending this stuff through the mail?" He said, "We get a better return per dollar invested in this type of advertising than any other type of advertising we do." I said, "Well, then, if you do, you ought to pay the postage for it."

That is why I am in support of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia [Mr. HECHLER].

The amendment was agreed to.

Mr. RHODES of Pennsylvania. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RHODES of Pennsylvania to the amendment offered by Mr. MURRAY of Tennessee (1) on page 5, immediately following line 6, add a new section 7 as follows:

"SEC. 7. The amounts of postage paid on nonadvertising and advertising portions of the publication during the preceding 12 months: No publication sold or distributed through the mails under the second-class mailing privilege shall be received, handled, processed, transported, or delivered by the Post Office Department or any employee or agent thereof, unless the annual postage paid by such publication equals the annual cost to the Post Office Department (subject to the exception below) of such receipt, handling, processing, transporting, and delivering of such publication, as based on calculations resulting from the reviews, studies, and surveys of the postal rate structure required by section 105 of the Postal Policy Act of 1958 (72 Stat. 137; 39 U.S.C. 270c), and the detailed analysis of each publication's revenue and cost of handling data which may be necessary to carry out the provisions of this paragraph: *Provided further*, That, during the first year after enactment of this subsection, the actual cost to the Post Office Department in receiving, handling, processing, transporting, and delivering any individual publication may exceed by not more than $5,000,000 the actual postage paid by such publication during such year: *Provided further*, That, during the second year after enactment, the cost may exceed postage paid by not more than $3,000,000; during the third year, by not more than $1,000,000; during the fourth year, by not more than $500,000, and during the fifth year and thereafter, the cost may not exceed $100,000 per publication per year. The provisions of this paragraph (5) shall become effective with respect to the 12 months preceding the first such report and subsequent periods and costs shall be based on estimates of the Postmaster General if no data are available under the operation of section 105"; and

(2) By renumbering section 7 through section 12 as section 8 through section 13, respectively.

Mr. RHODES of Pennsylvania. Mr. Chairman, before I discuss my proposed amendment, I want to pay a personal tribute to the committee chairman for his efforts in seeking the enactment of a fair postal rate adjustment bill.

As a former member of the Post Office and Civil Service Committee for 8 years, I have learned to respect the gentleman from Tennessee for his courtesy to members of his committee and for his knowledge of legislation pertaining to the Post Office Department.

Mr. Chairman, my amendment is a very simple one. All it does is put a limitation on second-class postal subsidies which are a major factor in the big postal deficit. It does not hurt small publishers in any way.

Under my amendment a 5-year sliding-scale subsidy limitation formula would be established. During the first year, Department costs would not be permitted to exceed by more than $5 million the actual postage paid by any individual publication. The cost ascertainment formula of the Department would be used for this purpose. During the second year, this subsidy would be reduced to a maximum of $3 million; the third year to a maximum of $1 million; the fourth year to a $500,000 maximum; and the fifth year and thereafter, to a $100,000 maximum subsidy per year per publication.

Arguments that this proposal is unworkable are not valid. Former Postmaster General Summerfield said that administration would be difficult but that it could be done. Several years ago the House passed my amendment to limit second-class subsidies to $100,000. In the other body the limitation was raised to $1,800,000. Although defeated, it received 33 votes in the other body. My amendment today considerably modifies my former proposal.

There is widespread public support for this legislation despite the silence treatment it has received in the publications which benefit most by this kind of Government aid. However, a number of newspapers throughout the country have supported such legislation in their editorial columns, including the Philadelphia Inquirer, one of the largest and most influential dailies in Pennsylvania.

I believe that every Member of the House received a letter today, from the National Federation of Independent Business, which for many years has polled its members on legislation before Congress.

In this letter, dated yesterday, the federation opposed a postal rate increase, making particular objection to an increase of first-class mail postage. My colleagues may be interested in a poll conducted by this organization when this issue was before the Congress about 2 years ago. In Bulletin or Mandate No. 252 at that time, this question was asked in their membership poll:

Are you for or against Congress requiring all large national magazines to pay their full share of post office mailing costs, the same as users of first-class mail are required to do?

The membership of the National Federation of Independent Business voted 84 percent for reducing second-class postal subsidies, only 13 percent against. In my own district, 94 percent of the members voted for reducing such subsidies.

Mr. Chairman, much of the opposition to the first-class mail increase will be eliminated if my amendment is adopted.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. RHODES] has expired.

(Mr. RHODES of Pennsylvania asked and was given permission to proceed for 5 minutes additional.)

Mr. RHODES of Pennsylvania. Mr. Chairman, this is an amendment which should get the full support of my colleagues on both sides of the aisle.

It should appeal to everyone who has been critical of Federal giveaway programs and the big postal deficit. Those who receive large postal subsidies are among the top beneficiaries of Federal aid and Government handouts.

We are fully justified in enacting this proposal, for the giant magazines themselves, such as Reader's Digest and the Luce publications, have been the most powerful critics of Federal aid programs.

It may be interesting to my colleagues from Iowa if I quote remarks made over station WHO by Herb Plambeck, who was then farm director of that station, on the question of subsidies when this issue was before the Congress a few years ago:

"Life magazine and Reader's Digest and other widely read publications which have gone all out, headlining what they describe as 'the incredible farm scandal'—implying, in effect, that every rural resident is a parasite and a thief."

I don't recall Life in its scathing denunciation of agriculture, saying much about the $9 million or more it has received in a single year in the way of the postal rate subsidy. Nor does Reader's Digest say much about the $5 million it has acepted. Seldom is something written about the $38 million in annual subsidies estimated for just 14 of our major magazines, to say nothing of the hundreds of others.

It seems to me that if the magazines are going to condemn agriculture as criminals for accepting Government help, then the publishers who condemn us ought to have the decency to admit to the same crime.

I know two wrongs do not make a right, and that this sounds like the pot calling the kettle black; but I feel people who live in glass houses, even if they are on Times Square, have no right to criticize agriculture and to make whipping boys out of farm people, when they themselves are also accepting Government help, provided by you and me—the taxpayer.

What Mr. Plambeck said could be said about many other programs which these slick magazines oppose.

From the information I have received, it costs the Post Office Department $20 million annually for handling and mailing the Luce publications.

For this service, Luce magazines pay $8 million; an indirect subsidy of $12 million or a million dollars a month.

Most Members will remember the story in Life magazine dated June 6, 1960, shortly before final adjournment of the 86th Congress. Much of the story was rigged with fake pictures in an effort to discredit certain of our colleagues, including some of the most respected Members of the House. It was entitled, "How Congressmen Live High Off the Public."

Yet, few people know that the annual subsidy to Luce publications amounts to more than the combined yearly salaries of 437 Members of the House of Representatives.

I am sure, Mr. Chairman, that if my amendment is adopted we can all, in good conscience, vote for the rate increase.

Mr. BARRY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would like to take this time to read a department letter from the Office of the Postmaster General dated August 21, 1961, pertaining to H.R. 7361 which is substantially the same as the amendment offered by the gentleman. The letter is as follows:

OFFICE OF THE POSTMASTER GENERAL,
Washington, D.C., August 21, 1961.

Hon. TOM MURRAY,
Chairman, Committee on Post Office and Civil Service, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your request for a report on the bill H.R. 7361, proposing to establish an annual limitation on publishers' second-class mail subsidies.

We are opposed to the enactment of this bill.

The bill fails to recognize that cost analysis and rate design are distinct and separate steps of the ratemaking process. The application of full costs as a criterion for second-class rate deficiencies would be inequitable and discriminatory in denying certain publications a rate differential for reading or editorial content.

The purpose of the legislation is to exact additional postage payments on the basis of deficient cost coverage of individual publications. If this is to be accomplished, it would be necessary to undertake meticulous cost surveys for numerous individual publications of diverse size, advertising content, and geographic distribution. Since these characteristics change frequently, cost standards would have to be flexible and subject to frequent revision. Moreover, the necessity for substituting individual cost studies aplicable to the several classes of mail and services would unduly complicate the Department's cost determinations and the problems of justifying adjustments in postal rates.

We estimate that substantial expenses would be incurred annually to maintain an adequate system of accounting for the handling costs of individual publications. Neither the Postal Policy Act of 1958 nor the hearings which preceded its enactment indicate it was the intention of the Congress that such detailed records should be maintained by the Department.

Should H.R. 7361 be enacted, the burden of additional administrative costs would not be limited to accounting functions. Publishers' protests against additional postage assessments would spark an endless chain of complaints and controversies, including lawsuits.

A literal interpretation of the proposal suggests that the Postmaster General would be required to modify these rates each time a significant change occurred in salaries, transportation fees, or other cost components. Not only would these fluid rates present serious management problems to the Post Office Department, but publishing companies would be unable to budget their mailing costs with any reasonable degree of certainty.

It must be recognized that the publications principally affected by the proposed bill are those of larger weight and size for which cost coverage is greater than the average for all second-class matter, or even for other "magazines and periodicals of general interest."

Preferential rates have been charged for second-class mail to promote the educational, cultural, and religious development of our people. The dissemination of information over wide areas and to large groups has been considered an important unifying influence to the Nation. The proposed measure would reverse this policy established by the Congress more than a century ago.

We believe the second-class rates encompassed in the bill H.R. 7927, now before the Congress, are reasonable from the viewpoint of a more equitable sharing of postal costs among the various users of this class of mail.

I might say the rate they suggest has even been increased by the rate which is before us in the Murray amendment.

The last paragraph reads:

We have been advised by the Bureau of the Budget that from the standpoint of the administration's program, there is no objection to the presentation of this report to the committee.

Sincerely yours,

H. W. BRAWLEY,
Postmaster General.

Mr. BOGGS. Mr. Chairman, I rise in opposition to the amendment.

(Mr. BOGGS asked and was given permission to revise and extend his remarks.)

Mr. BOGGS. Mr. Chairman, I shall not consume 5 minutes. I should like to reiterate that the distinguished chairman of the committee, the gentleman from Tennessee [Mr. MURRAY] has worked very diligently to perfect an equitable bill which attempts as fairly as possible to distribute these costs.

The proposal offered by the gentleman from Pennsylvania would constitute a gross discriminatory approach. The notion that something is really bad because it is large is one that the people of this country have never accepted. The notion that an operation is necessarily profitable because it is big cannot be verified by fact; and finally, the notion of legislating because you may or may not like a particular publication is one I think would do great harm. So I hope we will support the gentleman from Tennesee and vote down this amendment.

Mr. Chairman, I cannot endorse the approach recommended by the gentleman from Pennsylvania.

His proposal would place a ceiling on the postage concession extended to any one publication in any single year. I have several basic objections to that proposal.

First, there is implicit in it a full-cost-coverage approach for a major portion of second-class mail. I believe that is inconsistent with the intent of the Postal Policy Act. In that act the Congress directed that letter mail, like the premium services of any public utility, should pay premium rates proportionate with the preferential services it receives. The collateral conclusion is that secondary mail, like magazines and newspapers, should pay less than costs. That differential pricing approach is sound ratemaking, but it would be rejected by the proposed amendment offered by my colleague from Pennsylvania.

Second. The proposed amendment is discriminatory since it advocates a different postage rate for each major second-class publication, depending upon its circulation volume. The proposed amendment would penalize growth by assessing higher postage rates against those publishers who have the largest circulation volumes.

Third. My able colleague from Pennsylvania assumes apparently that the publications with the largest circulation are also the most profitable and, hence, best able to pay higher postage. I am quite certain it is not axiomatic that the largest magazines are invariably the most profitable. Just to mention a few that faded in recent years: American Magazine, Collier's, Liberty, Woman's Home Companion, and Coronet—all of them big in terms of volume, but apparently not in profits. Conversely, many small-circulation publications, serving specialized and limited markets, are highly profitable and better able to pay increased postage.

Fourth. In order to comply with the proposed amendment, the Post Office Department would be compelled to establish subsidiary accounting systems for numerous publications. There would

be no way to avoid this onerous and costly recordkeeping system. Enactment of the proposed subsidy limitation bill would require continuous and meticulous surveillance of revenue deficiencies incurred for every large-circulation publication.

Each publication presents a unique accounting problem due to diversity of weights, density, advertising content, geographic distribution, and degree of premailing preparation by the publisher. With each issue of these publications, the Department would have to recompute its costs since publication characteristics which govern the Department's handling costs are highly fluid. Moreover, even if the publications' mailing characteristics were stable, the many elements comprising the Department's costs are subject to frequent change.

A literal interpretation of the proposal suggests that the Postmaster General would be required to modify the rates for individual publications each time a change occurred in salaries, transportation fees, or other cost components. Not only would constantly changing postage rates present serious management problems to the Post Office, but publishing companies would be unable to budget their mailing costs with any reasonable degree of certainty.

It is possible, of course, to approximate costs and revenues through less burdensome methods. But approximations can hardly serve as the basis for specific postage assessments which may amount to millions of dollars annually for some publishers. Supplemental postage charges based on estimated costs would surely invite an interminable chain of complaints, investigations, and adjudications. I believe it is no exaggeration to predict that the Department's cost justification problems would multiply as many times as there are individual records in place of the present single cost ascertainment standard. If the proposed amendment were enacted, a large share of the new postage revenues would be offset by additional administrative expenses.

It is my firm belief that the amendment offered by my distinguished colleague from Tennessee would be a much fairer approach consistent with the objectives of the Postal Policy Act. Through a general and uniform rate reformation, the cost-sharing burden in second class would be distributed equitably among all publications without added administrative costs and without recourse to a multiplicity of rates that single out the large publications for discriminatory and unduly heavy postage charges.

Mr. CORBETT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as the last two speakers have pointed out, this proposal would result in a nightmare of bookkeeping and all kinds of reevaluations every time the operation changed its salaries, prices, or whatnot. Along with that it seems almost punitive and confiscatory to apply rates like this to certain publications.

I believe, therefore, Mr. Chairman, that this amendment should be defeated for the reason that it is administratively impossible, and it is confiscatory and discriminatory.

Mr. GROSS. Mr. Chairman, I rise in opposition to the pro forma amendment in order to ask the gentleman from Pennsylvania a few questions. How much revenue would your amendment produce?

Mr. RHODES of Pennsylvania. I would say to the gentleman that in the first year the amount would not be large; there would be very little additional revenue the first year. Over the years the amount would be considerable.

Mr. GROSS. Cannot the gentleman give us some estimate of the increase in revenue?

Mr. RHODES of Pennsylvania. It depends on several factors. I understand the Murray amendment would raise the cost to Life magazine by approximately $5 million. My amendment would raise the cost to approximately $7 million the first year. There are going to be few magazines affected.

I think there is a principle involved here. We put a limitation on farm subsidies, and this matter of limitation is nothing new. It seems to me we can do the same in this field. Furthermore, I think the Post Office Department should set up some sort of ethical standards for these people who benefit from cheap rates, but that is another matter. What I am concerned with primarily is the principle involved. These people come here asking for Government subsidies for themselves, yet that is something they claim they are opposed to in other fields.

Mr. GROSS. I am surprised to hear opposition to the gentleman's amendment from his side of the aisle.

Mr. RHODES of Pennsylvania. I would say that over the long run it would produce considerable revenue. In the first year it might be just several millions of dollars.

Mr. GROSS. The House increased third-class rates a few moments ago to the point where it will drive many users of the mail out of business.

Mr. RHODES of Pennsylvania. I would have no objection to the gentleman offering an amendment, if he cares to.

Mr. GROSS. No; I am surprised that if it will produce the revenue indicated that there is opposition to the gentleman's amendment from his side of the aisle. I would not vote for it.

Mr. RHODES of Pennsylvania. I think there is a matter of principle involved. The gentleman has always been a consistent critic of Government subsidies, Government handouts. I thought I could count on the gentleman's support on this amendment.

Mr. GROSS. Is the gentleman speaking of me?

Mr. RHODES of Pennsylvania. Yes.

Mr. GROSS. I am just expressing surprise that there is opposition from those on his side of the aisle who seem bent on grabbing revenue no matter what the consequences.

Mr. RHODES of Pennsylvania. I am surprised that the gentleman from Iowa is not opposed to this handout.

I might say that these same magazines benefit in the so-called foreign aid programs by receiving certain subsidies.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. RHODES].

The amendment was rejected.

Mr. MURRAY. Mr. Chairman, I ask unanimous consent that all debate on my amendment and all amendments thereto close at 5 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

Mr. GROSS. Mr. Chairman, I object.

Mr. MURRAY. Mr. Chairman, I ask unanimous consent that all debate on my amendment and all amendments thereto close at 5:15.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

Mr. GROSS. Mr. Chairman, reserving the right to object, why must this bill be rushed through today? There are many Members who have amendments.

Mr. MURRAY. We are not rushing it through at all.

Mr. GROSS. If you are going to close debate at 5 o'clock, and if all of these gentlemen have amendments to offer, then you are rushing it through.

Mr. MURRAY. Mr. Chairman, I move that all debate on my amendment and all amendments thereto close at 5:30.

The question was taken; and on a division (demanded by Mr. BOGGS) there were—ayes 103, noes 59.

So the motion was agreed to.

Mr. ASHBROOK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ASHBROOK. Mr. Chairman, is it the understanding that the Chair will apportion the time between Members having remaining amendments?

The CHAIRMAN. The Chair will attempt to divide the time equally.

The Chair recognizes the gentleman from New York [Mr. RYAN].

Mr. RYAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RYAN: Page 9, strike out all of section 11.

Mr. RYAN. Mr. Chairman, I rise in opposition to section 11 which in effect establishes a program of censorship and interception of incoming foreign mail.

President Kennedy on March 17, 1961, after consultations with the Secretary of State, the Postmaster General, the Secretary of the Treasury, and the Attorney General announced, "discontinuation immediately of the program of intercepting Communist propaganda from abroad." The President said that the program served "no useful intelligence function" but instead hindered "our efforts to improve cultural exchanges with Communist countries." During the Eisenhower administration the National Security Council's Planning Board unanimously recommended discontinuing the program.

Experience with the past program shows that this leads to censorship, interference and interception of the mails.

The term "political propaganda" is so vague and all encompassing that a wide variety of mail would be subject to the provisions of this bill. There is no definition of the term "political propaganda" in this bill.

However, the Subversive Activities Control Act defines political propaganda as follows:

Any * * * expression * * * reasonably adapted to * * * prevail upon, indoctrinate, convert, induce, or in any other way influence a recipient or any section of the public within the United States with reference to political or public interests, policies, or relations of a government of a foreign country or public interests, policies, or relations of a government of a foreign country or a foreign political party or with reference to the foreign policies of the United States or promote in the United States racial, religious, or social dissensions.

In the past this program has held up mail addressed to students, scholars, journalists and persons of all political hues. The columnist, George Sokolsky, on being told that some of his foreign originated mail had been held up replied angrily:

The theory of your advice is that I am entitled to special privileges. But I do not want privileges. I want these publications because I subscribed to them. They can do me no greater harm than some American publications I buy. If I am to be saved from my reading habits, I do not want it done by the post office, the business of which is to deliver the mails. (The Saturday Review, Apr. 23, 1955.)

The Department of Justice has written to the House Un-American Activities Committee opposing similar legislation. Byron White, Deputy Attorney General, said:

It is clear that it is the purpose of the proposed legislation to require filing and labeling of political propaganda imported from Soviet bloc countries. but the provisions of the proposed amendments are in such broad general terms that they are applicable as well to material imported from democratic countries. Obviously this provision would be unduly burdensome on the public.

There is a serious question as to the constitutionality of section 11. On the floor of this House on September 18, 1961, the distinguished chairman of the House Un-American Activities, Dr. Walter, commented on this very amendment. I should like to recall his words:

But I am afraid if we adopt something that will not stand the test of the courts this futile gesture will delay the time when we can do something constructive. * * *

Any program such as that proposed by the Post Office and Civil Service Committee would create the false impression that the American people are so naive and gullible that they cannot be exposed to Communist propaganda without the danger of their being adversely influenced or corrupted by Communist doctrine. Such a program would also create the impression that the American people are incapable of recognizing and rejecting Communist political propaganda much of which is false and absurd on its face. (CONGRESSIONAL RECORD, Sept. 18, 1961, pp. 18843–18844.)

I firmly believe that the citizens of the United States have the good sense and judgment to evaluate the reading material to which they subscribe or which they receive gratuitously in the mail. The supporters of this proposal in effect accept the idea that in our democracy our citizens are unable to distinguish the true from the false. What are we afraid of?

Before approving this censorship proposal, the House should demand a thorough examination of the basic premise of this proposal and learn the views of the President and the Attorney General and appropriate Government agencies. The administration is not in favor of this. Any one with confidence in our institutions and our free and open society should oppose it and support my amendment.

The CHAIRMAN. The time of the gentleman from New York has expired.

(Mr. RYAN asked and was given permission to revise and extend his remarks.)

Mr. LINDSAY. Mr. Chairman, I oppose the Cunningham amendment which would grant unlimited powers to the Postmaster General and to the Attorney General of the United States to censor the mails. Under the amendment the Postmaster General "shall not permit the receipt, handling, transport, or delivery by the U.S. Post Office Department of mail determined by the United States to be Communist political propaganda."

There are no definitions, no standards, no statutory guidelines. No Attorney General, or Postmaster should have such broad, unlimited powers. I doubt its constitutionality.

This kind of amendment was opposed by the Eisenhower administration, as it is by this administration. Both administrations have agreed against its practical good, as well as its constitutionality. Further, what are we afraid of? Why shouldn't the American people judge for themselves. Under this amendment an arbitrary Attorney General could bar the London Economist from being mailed into and in the United States.

Why is it necessary that we come to this?

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. RYAN].

The question was taken; and on a division (demanded by Mr. RYAN) there were—ayes 2, noes 127.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. BARRY].

Mr. BARRY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BARRY of New York:

On page 3, immediately following "Sec. 5." insert "(a)";

On page 4, immediately following line 18, insert the following:

"(b) The amendments made by subsection (a) of this section shall not apply to publications less than 5 percent of the contents of which consists of advertising.

"(c) Section 4359 of title 39, United States Code, is amended by adding at the end thereof the following subsection:

"'(f) Subject to the minimum rates provided by section 4360(h) of this title, the rates of postage on publications of which less than 5 percent of the contents consists of advertising mailed in accordance with subsection (a) of this section are fixed by the pound as follows:

"'*Rates in cents per pound or fraction thereof*

	Classroom publications	Other publications			
		Mailed during calendar year 1961	Mailed after July 1, 1962	Mailed after July 1, 1963	Mailed after July 1, 1964
Advertising portion:					
Zones 1 and 2	1.5	3.0	3.15	3.30	3.45
Zone 3	2.0	4.0	4.20	4.40	4.60
Zone 4	3.0	6.0	6.30	6.60	6.90
Zone 5	4.0	8.0	8.40	8.80	9.20
Zone 6	5.0	10.0	10.50	11.00	11.50
Zone 7	6.0	12.0	12.60	13.20	13.80
Zone 8	7.0	14.0	14.70	15.40	16.10
Nonadvertising portion	1.5	2.5	2.63	2.75	2.88
A publication of a qualified nonprofit organization		1.5	1.5	1.5	1.5'"

On page 4, immediately following "Sec. 6." insert "(a)";

On page 5, immediately following line 6, insert the following:

"(b) The amendment made by subsection (a) of this section shall not apply to publications less than 5 percent of the contents of which consists of advertising.

"(c) Section 4360 of title 39, United States Code, is amended by inserting '(a)' after '§ 4360' and by adding at the end the following subsection:

"'(b) The following are the minimum rates for each individually addressed copy of a second-class mail publication of which less than 5 percent of the contents consists of advertising:

"'*Second-class minimum rates*

[In cents]

	Mailed before July 1, 1962	Mailed on and after July 1, 1962, and before July 1, 1963	Mailed on and after July 1, 1963
For delivery within county of publication except when mailed free under sec. 4358(a) of this title	⅛	⅛	⅛
Classroom and nonprofit organizations publications	⅛	⅛	⅛
Other publications for delivery beyond county of publication	½	¾	1'"

Mr. BARRY. Mr. Chairman, in the general debate I mentioned that I wished to offer an amendment that pertains only to the classification of publications which have no advertising in them. I am sure that Members noticed when the Clerk read the amendment that there is a limitation of 5 percent. This 5 percent allowed in this type of classification is only so that they can advertise their own publication, because should they on one page of their publication say "Send in your renewal" that is classified as an advertisement. Therefore, my statement in general debate has not changed.

Mr. Chairman, what does this amendment propose to do? It basically preserves the children's magazines throughout the Nation, and it also, as I indicated in general debate, preserves the Catholic Digest with a circulation of 1 million copies.

Mr. Chairman, children's magazines are estimated at 6 million or 7 million monthly circulation. Now, the rate which they will pay under the proposal which I have made is double the rate that they have been paying. This prevents the rate going to triple the rate which they are now paying.

Mr. Chairman, the amendment which I have proposed to the amendment offered by Chairman MURRAY relates exclusively to an exception from the rate increase provided for second-class publications. In my judgment, those publications with more than 95 percent editorial content should not experience the rate increase provided in Mr. MURRAY's amendment. Accordingly, I have proposed by my amendment that all periodicals with less than 5 percent advertising content should have a 5-percent pound rate increase over the next 3 years with a minimum per copy increase from one-half cent to three-fourths cent effective July 1, 1962, and finally to 1 cent on July 1, 1963.

There are a number of periodicals and publications such as Child Life, Children's Magazine, Catholic Digest, Jack and Jill, and so forth, which are almost exclusively devoted to editorial content and are not designed for the purpose of advertising. These are all fine publications and in my judgment are entitled to separate treatment.

Prior to 1958 advertising zone rates of postage were not changed on publications with less than 5 percent advertising. The flat rate for editorial matter was charged on the entire publication. In the postal rate bill of 1958 this provision was eliminated from the law.

Publishers who carry 95 percent editorial content in their publications do not depend upon advertising to finance their publications. They must depend almost entirely upon subscription revenue. These publications are performing a service to their subscribers by furnishing them cultural material which justifies lower rates of postage than the rates for publications which carry large amounts of advertising.

Mr. Chairman, I propose that we adopt this amendment which will return to the policy existing prior to this date. It is estimated that the cost of my amendment in terms of reduced revenues below the revenue provided in Mr. MURRAY's amendment for second-class mail would be approximately $10 million annually. I feel this is completely justified and I urge the Members to support my amendment.

The CHAIRMAN. The time of the gentleman from New York [Mr. BARRY] has expired.

The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. LANDRUM].

Mr. LANDRUM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LANDRUM to the amendment offered by Mr. MURRAY: On page 3, following line 13, insert the following:

"SEC. 5. Paragraph (1), subsection (a), section 4358, of title 39, United States Code, is amended to read as follows:

"(1) resides in the county in which the publication is published; and".

And redesignate the following sections accordingly.

Mr. LANDRUM. Mr. Chairman, this is a very short amendment which seeks to correct a very large inequity in the present law. Under postage rates, within county of publication, we find these provisions: One copy of each of a publication admitted as second-class mail matter may be mailed free to each actual subscriber if the subscriber first, resides in the county in which the publication is printed in whole or in part, and which it is published; and second, receives his mail at an office at which letter carrier service is not established.

Mr. Chairman, if the subscriber meets those two provisions of the law he can receive from the publisher of this county newspaper free mailing in the county. But with the increased cost for printing presses and with the great capital outlay necessary to maintain rural printing establishments, many newspapers—small weeklies—have found it necessary to go outside the county and contract for the actual printing of their paper. And, though, the paper is actually printed outside the county of its publication, it is nevertheless addressed and subscribed to through the mail and all advertising sold in the county.

Mr. Chairman, I submit that this puts an inequity on many of the small newspapers, and trust that we will correct it by adopting this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. LANDRUM].

The amendment was agreed to.

(Mr. JAMES C. DAVIS asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. JAMES C. DAVIS. Mr. Chairman, I announced on the floor yesterday that I was prepared to vote for the postal rate bill with the exception that the Murray substitute carried an increase of 1 cent per copy on newspapers mailed out of the county of publication, to which I am opposed. I had hoped the Murray substitute would be amended to eliminate this increase, which is going to place an extremely burdensome rate on some small newspapers.

I offered an amendment to eliminate this burdensome increase on small newspapers. It was defeated.

When I made my statement yesterday the rate on controlled circulation publications was carried in the Murray substitute at 12 cents per pound. I was willing to vote for that, although that class of magazine now pays a rate of postage 2½ times as much as magazines such as Time, Life, Look, and so forth. The Murray substitute was amended to increase controlled circulation to 14 cents. That is a great injustice, and I cannot support the bill with that provision in it.

Mr. Chairman, for these reasons I cannot support H.R. 7927, and I will have to vote against it.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. ASHBROOK].

Mr. ASHBROOK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASHBROOK to the amendment offered by Mr. MURRAY to H.R. 7927: Page 3, immediately following line 16, insert the following:

"SEC. 5. (a) Section 4358 of title 39, United States Code, relating to postage rates within county of publication, is amended to read as follows:

"§ 4358. Postage rates within county of publication.

"'(a) Subject to the minimum rates provided by section 4360 of this title, the rate of postage on publications admitted as second-class mail when addressed for delivery within the county in which they are published and entered is as follows—

"'(1) if mailed for delivery by letter carrier at the office of mailing:

"'(A) publications issued more frequently than weekly, 1 cent a copy;

"'(B) publications issued weekly, 1 cent a pound;

"'(C) publications issued less frequently than weekly—

"'(1) weighing two ounces or less, 1 cent a copy;

"'(ii) weighing more than 2 ounces, 2 cents a copy.

"'(2) if mailed for delivery at the office of mailing through post office boxes, general delivery, or by rural or star route carrier, 1 cent a pound.

"'(3) if mailed for delivery at an office other than the office of mailing, 1 cent a pound.

"'(b) When copies of a publication are mailed at a post office where it is entered for delivery by letter carrier at a different post office within the delivery limits of which the headquarters or general business office of the publisher is located, the rate of postage is—

"'(1) the rate that would be applicable if the copies were mailed at the latter post office, or

"'(2) the pound rates from the office of mailing if those rates are higher'."

(b) The table in section 4360 of title 39, United States Code, relating to minimum postage, is amended by striking out "except when mailed free under section 4358(a) of this title".

And renumber the succeeding sections accordingly.

Mr. ASHBROOK (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that fur-

ther reading of the amendment be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

[Mr. ASHBROOK addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. ASHBROOK].

The question was taken and the Chair announced that the ayes appeared to have it.

Mr. MURRAY. Division, Mr. Chairman.

The CHAIRMAN. Division is demanded by the gentleman from Tennessee.

Mr. GROSS. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. GROSS. Did not the Chair state that the amendment was agreed to?

The CHAIRMAN. The gentleman from Tennessee [Mr. MURRAY], was on his feet and demanding a division at the time.

The Chair will count.

The question was taken; and on a division (demanded by Mr. MURRAY), there were—ayes 37, noes 91.

So the amendment to the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. MARSHALL].

Mr. MARSHALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MARSHALL of Minnesota to the amendment offered by Mr. MURRAY of Tennessee. On page 3, line 25, insert the words "or religious" immediately before "publications".

And on page 4, line 10, insert the words "or religious" immediately following "a classroom".

And on page 4, line 14, insert the words "or religious" immediately following "other than classroom".

And on page 5, line 1, insert the words "or religious" immediately following "a classroom".

(Mr. MARSHALL asked and was given permission to revise and to extend his remarks.)

Mr. MARSHALL. Mr. Chairman, this is the amendment I spoke of earlier in the day. It seeks to continue the present postal rates for religious publications just exactly as they are now. It does not make any change. The Murray amendment, unfortunately, places the future of these magazines in jeopardy. I do not think the Members of the Congress intend to do this.

Mr. Chairman, this is a question of vital importance. These religious magazines render tremendous service in the national interest, both at home and abroad. It seems to me that this amendment ought to be adopted so that these magazines will not be hindered in this most important work. I do not believe a Member of the Congress has ever received a letter from a constituent objecting to the exemption we have already granted to religious publications. These magazines make a real contribution far exceeding the insignificant revenues involved in the amendment.

Mr. Chairman, I urge the adoption of my amendment.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield to the gentleman from Illinois.

Mr. COLLIER. I am not opposed to the gentleman's amendment, but I would like to know how you would define a religious magazine? What portion of the matter contained in the magazine should be for spiritual guidance and what portion for other matters?

Mr. MARSHALL. I point out to the gentleman that the Post Office Department has experienced no difficulty in that respect in the past.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. BOGGS].

Mr. BOGGS. Mr. Chairman, what the gentleman seeks to do is to change the basic law on the definition of profit and nonprofit organization. As long as these magazines are classified as nonprofit, they qualify. When the gentleman seeks to extend the definition of religion to profit organizations, it is not at all inconceivable that the Saturday Evening Post or any other magazine which runs a religious article might not seek to qualify. This would create pandemonium and I hope the amendment is defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. MARSHALL] to the amendment offered by the gentleman from Tennessee [Mr. MURRAY].

The amendment to the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. BROYHILL].

(Mr. BROYHILL asked and was given permission to revise and extend his remarks.)

Mr. BROYHILL. Mr. Chairman, I rise in support of the amendment offered by Chairman TOM MURRAY which is in the nature of a substitute for the bill to increase postal rates which was reported by the House Post Office and Civil Service Committee.

The tremendous annual postal deficit which has now increased to $832 million annually is a condition which should be corrected immediately. Following the enactment of the postal rate bill in 1958, the Eisenhower administration recommended an increase in postal rates to eliminate the postal deficit in 1959. Again, in 1960, the Eisenhower administration recommended appropriate and reasonable increases in postal rates to eliminate the ever-increasing postal deficit. Had this action been taken by the Congress, the enactment of this postal rate bill would be unnecessary. However, those of us who believed in fiscal integrity in the postal service, including the distinguished chairman of our committee, could not find enough support for our position to have a bill considered by the Congress.

Conditions today are not much different except that the postal deficit has increased over the past 3 years to a point where further delay means not only further unbalancing the budget but it means a tremendous increase in interest payments on the national debt which is represented by the annual contribution to the national debt of the postal deficit.

The weak and completely inadequate bill which the committee has reported should be rejected and in its place should be substituted the proposal of Chairman MURRAY. The committee bill places the burden of increased postal rates almost entirely on the first-class mail users and only token increases were provided in second- and third-class postal rates.

One important difference between Chairman MURRAY's proposal and the committee's bill is that rate increases on second-class mail—magazines and profit publications—would be increased from $21 million annually to $53.4 million annually by reason of a per piece charge of one-half cent on each periodical, magazine, or publication effective July 1, 1962, and an additional one-half cent increase effective July 1, 1963.

The second important change proposed by Chairman MURRAY's amendment relates to third-class mail—circulars, advertisements, and certain books and catalogs. The revenue from rate increases on this class of mail would be increased from the committee's proposal of $57.3 million annually to $93 million annually under Chairman MURRAY's proposal. This is accomplished in large measure by increasing the minimum per piece charge for this class of mail from 2½ cents to 3 cents.

Chairman MURRAY's amendment makes no change with respect to the committee's recommendation on first-class mail which provided an increase to 5 cents per ounce for letters and 8 cents per ounce for airmail.

The other major difference in Chairman MURRAY's proposal is that $248 million annually would be allocated as the amount which represents the public service activities performed by the Post Office Department for other departments and agencies of the Government and for the mailing public generally. The committee's proposal, on the other hand, would have established the public service costs at $342 million annually. In my judgment, the proposal of Chairman MURRAY is more realistic and more accurate with respect to the provisions relating to these public service items.

In terms of actual revenue, Chairman MURRAY's proposal would increase postal revenues by $622 million annually while the committee bill would raise only $551 million annually. The proposal which I support would provide a more equitable distribution of postal rate increases for second- and third-class mail as compared with the rate increases in first-class mail. In my judgment, it is most improper for the Congress to ask the average first-class mail user which is the general public to accept the overwhelming burden of the postal rate increase and permit only token increases for second- and third-class mailers who use

the postal service in their businesses and whose mailing costs are deductible as legitimate items of expense in connection with determining the amount of taxes they pay to Federal, State, and local governments.

Mr. Chairman, it is my earnest hope that the Members of the House will approve this amendment offered by Chairman TOM MURRAY and that it will reject amendments thereto which might distort the postal rate increases as was the case in the bill reported by our committee. As a practical matter, I was inclined to support the original bill introduced by the chairman which provided even higher rates than those in the amendment which he now proposes. However, after lengthy hearings on this matter, I am convinced that a rate increase such as that proposed in his amendment is fair to all of the users of the mail in view of the generous and liberal public service allocation of $248 million annually to postal operations.

In my opinion, the vast majority of the Members of the House are at last convinced that a postal rate bill is necessary I am pleased that this appears to be the general conclusion of my colleagues, because it would be regrettable if, indeed, in this period of our history, we did not take whatever action is necessary to prevent passing this tremendous annual postal deficit on to future generations.

The enactment of this measure will merely say that the people who use the postal service should pay for that service. If they do not pay for it under these increased postal rates, all of the taxpayers of the Nation will go on having to pay the bill. In other words, revenues which are raised by the income tax and other taxation will necessarily have to pay for this postal service and thus the users of the mail will be the beneficiaries of such a policy.

The American people have the right to expect that the Post Office Department should be run on a sound fiscal basis. This legislation, particularly the amendment offered by Chairman MURRAY, is the only way this fiscal responsibility can be restored in the operation of the postal service. Mr. Chairman, I urge favorable action on this legislation and I solicit my colleagues to support the amendment proposed by Chairman MURRAY.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. ROBERTS].

Mr. ROBERTS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROBERTS: On page 4, line 1, after publication insert "exceeding three ounces in weight which are".

On page 4, line 12, after rates, strike out the period and insert "applicable to publications exceeding three ounces in weight."

On page 4, line 14, after the word publications insert "exceeding three ounces in weight".

On page 4, line 18, after the period strike out the quotation and insert "Publications weighing three ounces and less other than classroom publications and other than publications of qualified nonprofit organizations—five-eighth cent effective on and after July 1, 1962, and before July 1, 1963; and three-fourths cent, effective on and after July 1, 1963."

Mr. ROBERTS. Mr. Chairman, this amendment would not favor or discriminate in favor of lightweight publications but would simply afford them the same treatment as far as rate increase and getting a mail subsidy is concerned that is now applied to what we call the "slick" magazines. They will still take almost the same rate, since under my amendment they will take five-eighths of a cent during the first step and it will be pegged at three-fourths of a cent instead of 1 cent as in the case of the Murray amendment.

This is designed primarily to protect the small weekly and monthly papers which are primarily concerned with local happenings, and get very little in the way of paid advertisement. I think the comparison is 20 percent for these little papers whereas the other magazines go as high as 63 percent.

Mr. WATTS. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield.

Mr. WATTS. Mr. Chairman, I want to evidence my strong and wholehearted support and advocacy of the amendment offered by my friend and colleague, the alert and distinguished gentleman from Alabama, Congressman KENNETH ROBERTS, respecting the treatment to be accorded our newspapers under this proposed postal rate increase program.

To me, it is a choice between two evils. I have no alternative.

Representing as it does, the overall, comprehensive—though oftentimes politically controlled and slanted—information medium, there is some question in my mind as to whether or not the newspapers of our country should bear the burden of any increase in postal rates. Certainly, in weighing the equities of the problem, substantial consideration must be extended the great service that the press renders the Nation and its people.

It is my personal feeling—and a most strong one it is—that no one can reasonably deny the importance of the role of our newspapers in educating and sustaining the education of an informed, alert and intelligent public which is responsive to and knowledgeable about the daily affairs of its Government.

Certainly, in a democratic society such as ours, this role cannot be taken lightly, particularly in one which includes heavy concentrations of rural areas where the newspaper oftentimes represents the sole medium of communication with the world about them. Only an informed citizenry can undertake the responsibilities as well as enjoy the privileges of representative democracy. Given the significance of the press, it is intolerable and unthinkable to impose upon it additional financial burden, a burden which could seriously affect its continued existence in many areas of our Nation.

Financially, the old adage, "figures speak for themselves," is a truism. Thus, there can be no argument against the statement that the recent past has witnessed a heavy increase in the number of newspapers which have been forced to consolidate or discontinue their operations. Such action was not because of a profitable position, nor bad management. It was primarily due to increased costs of operations, materials, supplies, equipment, et cetera, and merging was the only way out for those dedicated publishers who edsired to continue to be a party to this service to public and Nation. So, can we here, in the light of the record and these facts participate in giving birth to legislative action conceived with the idea of perpetuating this trend of failures and combines, but at a greatly accelerated pace?

Though not in accord with such thinking, I would say if postal operations and a sense of equity demand that this class of mail be included, then the 50-percent increase over an extended period of time which the amendment proposed by my friend from Alabama suggests is far more practical than the treatment accorded under H.R. 7027 as amended, and/or the Murray amendment. Thus, this great media of communication, would participate with other "mails" in sharing the increased operating expenses of the Department. Though representing little significance in balancing the operating budget of the Department, when the services are placed in proper perspective and comprehensively evaluated, I have no hesitancy in saying that the increase proposed by my colleague, Congressman ROBERTS, is just and equitable and in proper proportion.

(Mr. WATTS asked and was given permission to revise and extend his remarks.)

Mr. MURRAY. Mr. Chairman, are these profitmaking magazines?

Mr. ROBERTS. My amendment has nothing to do with magazines—just small newspapers. I cannot conceive, Mr. Chairman, that a magazine that would not weigh more than 3 ounces——

Mr. MURRAY. I mean the nature of the magazine; are they profitmaking?

Mr. ROBERTS. You do not understand the amendment. The nonprofits are already exempt. We have certain organizations that fall in the twilight zone where they have some paid personnel and have not been granted exemptions by attorneys general of the various States.

Mr. MURRAY. Then, of course, they are not nonprofit.

Mr. ROBERTS. Not strictly. I can name the county weeklies and some with statewide farm and rural subscribers and some other groups that would be covered under this amendment They are not strictly nonprofit. Why do you want to impose the greater rate on small, family-type papers than you ask on weighty-slick-paper magazines which enjoy national advertising?

(Mr. ROBERTS asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama.

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland [Mr. MATHIAS].

Mr. MATHIAS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MATHIAS to the amendment offered by Mr. MURRAY: On page 6, in the table immediately following line 4, strike out:

"(B) Other matter	16	Do."

And insert in lieu thereof the following:

"(B) Regular publications which are issued at stated intervals and as frequently as 26 times a year; which are mailed for delivery in the first zone; which are presorted and precanceled and delivered to the post office in bundles arranged in order of distribution	16	Do.
"(C) Other matter	18	Do."

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. MATHIAS. I yield to the gentleman.

Mr. ASHBROOK. Mr. Chairman, in this motion to amend the amendment of the gentleman from Tennessee [Mr. MURRAY] I am offering the committee an opportunity to vote against a subsidy which has been in effect for over 100 years. We have talked a great deal about rates being too high. Here is a rate which is zero so any amount it is increased will probably seem large.

Newspaper publishers have enjoyed what is called a free-in-county mailing privilege for over 100 years. In other words, newspapers published in a county may be mailed free within that same county—regardless of number—to any subscriber providing he does not receive his mail at a post office which has letter carrier service.

In the last session of Congress, I introduced H.R. 7420 which would end this free mailing privilege. It seems inconsistent that we should allow a profit-making business to use the mails free at the same time we are asking the first-class mail user to pay for a 5-cent stamp instead of a 4-cent stamp. The provisions of my bill, H.R. 7420, are basically contained within this amendment with a few changes.

When I appeared before the Post Office and Civil Service Committee on June 7, 1961 to support my bill, there was before the committee at that time H.R. 6418, introduced by the chairman, Mr. MURRAY, of Tennessee, which would have abolised the free-in-county privilege and instituted rates of 1½ cents per pound and one-fourth cent per piece on these newspapers. My amendment would institute only a one-cent-per-pound charge. For some reason the new Murray amendment leaves this provision of the old H.R. 6418 completely out and continues this unexcusable subsidy.

Mr. Chairman, at a time when we admittedly have a financial crisis, it is inconceivable that we should have free mailing privileges to newspapers. The subsidy, like so many, was a good one when it was enacted in the mid-19th century to encourage the dissemination of news and information to a frontier people. I would suggest that there is no basis for it now. It is an indication of what happens to most subsidies. They perform their intended use and then are continued.

The other area we should attack is the junk-mail privileges of Members of Congress. A Congress which voted itself a big increase in this unnecessary privilege in the final day of the last session would hardly take it away now so I see no need of introducing an amendment on that point but I would urge all of the Members to support this amendment which is fair and equitable.

(Mr. ASHBROOK asked and was given permission to revise and extend his remarks.)

Mr. JENSEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JENSEN. How much time will be allowed in support of this amendment?

The CHAIRMAN. The time has been allocated under the motion to limit debate.

Mr. JENSEN. Will I have any time in support of the amendment?

The CHAIRMAN. Not unless the gentleman's name is on the list.

Mr. FEIGHAN. Mr. Chairman, inasmuch as the time of the gentleman from Maryland has already been exhausted, may I yield my minute and a half to him?

The CHAIRMAN. If there is no objection.

Is there objection to the request of the gentleman from Ohio?

There was no objection.

(Mr. FEIGHAN asked and was given permission to revise and extend his remarks.)

Mr. BOGGS. Mr. Chairman, I ask unanimous consent that the amendment may be reread by the Clerk.

Mr. GROSS. Mr. Chairman, reserving the right to object, is this coming out of the gentleman's time?

The CHAIRMAN. It is coming out of the time allotted for general debate which closes at 5:30. There will be a loss of time to succeeding Members.

Is there objection to the request of the gentleman from Louisiana?

Mr. GROSS. Yes; I object.

The CHAIRMAN. The gentleman from Maryland is recognized.

Mr. MATHIAS. Mr. Chairman, the purpose of this amendment is to define a category of third-class mail to which will be admitted community and shopping newspapers which cannot qualify for second-class privileges because they are distributed free or contain less than the required percentage of editorial matter.

Under my amendment the rate for this type of bulk third-class mailing would continue to be 16 cents per pound with a minimum rate of 2½ cents per piece. This is the present rate charged these publications and therefore is not a reduction in rates.

This type of newspaper originated many years ago to fill a need of the neighborhood merchant for an advertising medium to carry his sales message into every home in his trading area. As a specialized form of publication, they were too few in number to require special consideration by the Post Office Department. Since World War II, however, their growth has been rapid, keeping pace with the population explosion, the growth of suburban areas, and shopping centers to serve these areas.

It is estimated that there are now approximately 1,000 of these publications and it is felt that a separate mail category is now warranted.

All of these publications are strictly local in character and coverage. They carry community news, local pictures and service features. In many localities such publications are one of the limited media available to the small merchant to service his trading area with his advertisments at a cost he can afford. The fact that the same merchants use them week after week is evidence of their productivity and value to the economic life of the communities they serve.

I have been advised that postal officials and experts in the handling of mail concede that these publications pay the full cost of handling their mailings under the present rate of 16 cents per pound, 2½ cents minimum per piece. As a matter of fact, many feel that the post office actually realizes a small profit at the present rates because of the limited service these publications require.

They are mailed on predetermined days so the post office is geared in advance to handle them. They deliver their papers to the post office in the most convenient form for distribution, presorted and precanceled and in bundles by routes arranged in order of distribution on each route. The carrier merely chooses the correct bundle and distributes from the top down. The cost in time and money of sorting and racking, which is required by other third-class mail, is completely eliminated. This in itself is an important saving to the post office.

Under present postal regulations, these publications are handled as regular third-class mail, although they bear no resemblance whatsoever to other matter included in this category of mail.

These publications are mailed for delivery in the first or local zone only. Yet their cost of handling is figured as part of other third-class matter, which is mailed for delivery throughout the United States.

It is obvious that it costs the post office more to deliver a piece of mail to an address so far distant that the process of delivery requires the piece to be canceled and sorted at point of entry, sorted again and rerouted on the train, opened and sorted again at point of destination and then sorted and routed by the local carrier, than it does to deliver a piece locally with a minimum of handling.

The public has a right to know of the products and services available to it. In this day of new and improved products and services, whose production and sale promote employment, greater prosperity and a higher standard of living, advertising is news, very important news, the widespread dissemination of which should be encouraged.

I am informed that "shoppers" cannot absorb an increase in the present rate. Should they be driven out of busi-

ness by failure of Congress to recognize their value to our economy, small businesses will be prejudiced, and thousands of citizens employed by these publications and allied businesses. In addition, the Post Office would lose one of the few customers which pays its full cost.

Under present regulations these publications are charged for delivery of their mail to local addresses on the same basis as third-class matter, which must be carried across the continent and handled many times before delivery to addressee. These publications want no subsidy. They want to pay 100 percent of the costs of handling their mail, but not costs for services which they do not receive.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. MATHIAS. I yield to the gentleman from Iowa.

Mr. JENSEN. Mr. Chairman, I rise in support of the gentleman's amendment. I would like to read a telegram which I received from a shopper's guide publisher, as follows:

Additional raise in third-class bulk mail minimum change as proposed in Murray bill cannot be justified. I mail about 4,000 papers each mail. All delivered within 25 miles, and pay 2½ cents per copy. This same paper could be printed in Boston and all 4,000 copies mailed to San Diego, Calif., at the same rate per copy. This is unfair and demands correction.

Post Office Department already makes a profit on my paper and should not raise my rate further. This applies to all shopping guides and free newspapers because all such publications are delivered a few miles from the post office where they are mailed. I repeat, Post Office Department already makes a profit on this mail.

The Audubon Post Office in 1961 did total volume of $55,000, and 10 percent of this was paid by the Audubon County Shopping Guide which I publish. Is it reasonable to assume that 10 percent of the time and effort of all dozen or so postal employees here are devoted each week to handling my 4,000 papers? No reasonable person would think so.

Some special consideration by the Post Office Department—repeat, must—be given to the rate charged local shopping guide or many of us will be forced out of business. There are about 1,000 shopping guides in America today. This is an urgent problem for all of us.

JOE SKLENAR,
Publisher, Audubon County Shopping Guide, Audubon, Iowa.

(Mr. MATHIAS asked and was given permission to revise and extend his remarks.)

Mr. VANIK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VANIK to the amendment offered by Mr. MURRAY: On page 9, immediately preceding the effective date section, insert a new section 12:

"REFUSAL OF THIRD-CLASS MAIL

"Section (e)(1), chapter 53 of title 39, United States Code, is hereby amended by inserting at the end thereof the following new section:

"'4061. REFUSAL OF THIRD-CLASS MAIL

"'The Postmaster General shall issue such regulations as may be necessary to permit a postal patron to refuse all third-class mail destined for his address.

"'The Postmaster General may return such refused third-class mail to the sender under such conditions, and upon the payment of such charges, as he may prescribe, except that the charges shall not be less than an amount which will reimburse the Post Office Department for the approximate costs incurred by the Department for such special service.'"

Mr. VANIK. Mr. Chairman, the purpose of this amendment is very simple. It would reach most of the criticisms we find with respect to third-class mail. The recipients of unwanted third-class mail today have two alternatives: They must sort the mail and discard it, or they may mark it "Refused." It frequently happens that he discards important mail while sorting through the unwanted third-class mail. This amendment simply makes it possible for the patron to refuse his third-class mail at the post office before it is delivered to his home. The postal patrons burdened with unwanted mail would be relieved of this burden. The advertisers would in this process revise their mailing lists. This amendment will not increase the cost either to the Government or to the advertisers, but it will provide relief for those who seek it, and it may, in the long run, preserve the status of third-class mail.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. VANIK].

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, the gag rule applied to this bill is in keeping with the entire history of it. Here is a bill that will impose what amounts to a tax of more than half a billion dollars upon the majority of the citizens of this country with more than $400 million of this amount coming from first-class, airmail, and postal cards. Yet we are called upon to dispose of this bill in about 4 hours. I do not know whether the majority leaders have any business for tomorrow or the next day or the day after that. If so, it has not been announced, and if they have, I would like to know what it is. Why is this gag rule imposed upon the Members of the House, limiting the time for explanation of amendments to a minute and a half, with almost no opportunity for others to support or oppose amendments? Why do the Democrat leaders want to ram this down the throats of Members of the House today when there is no business scheduled for the rest of this week? I promise Members of the House here and now that if I can prevail you are going to be in session each day from now through next Friday.

The CHAIRMAN. The chair recognizes the gentleman from New York [Mr. SANTANGELO].

(Mr. SANTANGELO asked and was given permission to revise and extend his remarks.)

Mr. SANTANGELO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SANTANGELO: On page 3, line 5, after "respectively", strike out the period and add the following language:

"Except that letters mailed for nonbusiness or noncommercial purposes shall be 4 cents an ounce or fraction thereof."

Mr. SANTANGELO. Mr. Chairman, this amendment is designed to bring equality of treatment to the users of first-class mail. We know that 80 percent of the users of first-class mail are business concerns or commercial enterprises and that 20 percent of the users are private people who use first-class mail for private purposes such as sending letters to members of their families across the country as well as in some instances paying their personal bills. But, we also know that the amount of money spent by business enterprises or commercial groups is a deductible item from income and comes off the top, and the Government stands 20 percent of the expense. This is not so with respect to the user who sends a private letter or a person who sends a letter to a friend. He absorbs the entire expense.

Now, this same issue arose in 1957 when I was a member of the Committee on Post Office and Civil Service, and in asking the question of Mr. Stans, who was the aid to Postmaster General Summerfield, he said that a different rate between the two groups was administratively feasible, although somewhat inconvenient. We find that condition obtains with newspaper rates. There is a different rate for different categories of newspapers. The postal service can determine between a letter for private purposes or business purposes by seeing whether the address is written in longhand or whether the return address is in longhand, or whether the names are printed, stamped or typewritten. This amendment brings equality of treatment to users of first-class mail. Why should 180 million people pay the increase when they cannot deduct it if they are not in business and those in business can deduct it? We should encourage communication by our citizens, not discourage. Remember that first-class mail returns a substantial profit and makes up the loss on other classes of mail. I trust that this amendment will pass.

Mr. MURRAY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I hope this amendment will be voted down. I cannot see the need for it. It is discriminatory, as I see it. I therefore appeal to the membership of this body to vote it down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. SANTANGELO].

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. JOHANSEN].

Mr. JOHANSEN. Mr. Chairman, I take this time merely to make it very clear in the record that I voted against the motion to limit debate. I spoke in favor of the Murray amendment, in spite of the exceedingly, in my judgment, unfortunate amendment that was adopted with respect to the third-class mail.

Mr. Chairman, I am going to vote for the Murray amendment. I think the realities of the matter are that this bill

in the final analysis is going to be written in conference. I do want the record very clear, however, that I opposed the limitation of time on the debate. I think it represented a most serious deprivation of the rights of the Members of the House.

The CHAIRMAN. The Chair recognizes the gentleman from Montana [Mr. OLSEN.]

Mr. OLSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OLSEN to an amendment offered by Mr. MURRAY: On page 3 delete everything on line 18 through line 25 and on page 4 delete everything on line 1 through line 5 and insert in lieu thereof the following:

"SEC. 5. Section 4359 of title 39, United States Code, is amended by striking out all of section (b), including the table therein, and inserting in lieu thereof the following:

"'(b)(1) Subject to the minimum rate provided for publications of qualified nonprofit organizations and classroom publications by section 4360 of this title, the rate of postage on publications mailed in accordance with subsection (a) of this section are fixed both by the piece as provided in paragraph (2) of this subsection and by the pound as provided in the following table:

	"'Rates in cents per pound or fraction thereof				
	"'Classroom publications	Other publications			
		Mailed during calendar year 1961	Mailed during calendar year 1962	Mailed during calendar year 1963	Mailed after December 31, 1963
Advertising portion:					
Zones 1 and 2	1.5	3.0	3.15	3.30	3.45
Zone 3	2.0	4.0	4.20	4.40	4.60
Zone 4	3.0	6.0	6.30	6.60	6.90
Zone 5	4.0	8.0	8.40	8.80	9.20
Zone 6	5.0	10.0	10.50	11.00	11.50
Zone 7	6.0	12.0	12.60	13.20	13.80
Zone 8	7.0	14.0	14.70	15.40	16.10
Nonadvertising portion	1.5	2.5	2.63	2.75	2.88
A publication of a qualified nonprofit organization		1.5	1.5	1.5	1.5'"

and (2) by adding at the end of subsection (b) a new paragraph (2) as follows:

"'(2) The piece rates of postage are charged on each individually addressed copy of a publication (except a publication of a qualified nonprofit organization and a classroom publication) mailed in accordance with subsection (a) of this section in addition to the pound rates. The piece rates are as follows:

"'Publications other than classroom publications and other than publications of qualified nonprofit organizations—one-fourth of 1 cent, effective on and after July 1, 1962, and before July 1, 1963; and one-half of 1 cent effective, on and after July 1, 1963'."

Mr. OLSEN. Mr. Chairman, in support of my motion I wish, first, to cite the fact that our committee after 7 months of hearing on the committee bill did conclude by vote in committee almost unanimously—I think with two dissents—that the determination of public service of the Post Office Department should be 7.5 percent of the Department's budget and that that figure was $342 million for public service.

Mr. Chairman, now we are considering a bill which provides for only $250 million in public service. I cite that figure—and I will extend my remarks in the RECORD on that subject so that the Members of the House may examine it in detail.

Mr. Speaker, when the Congress of the United States enacted the Postal Policy Act of 1958, we thought at long last we had resolved the principle of an adequate pricing for elements of public services in the Post Office Department that should not be charged to the mail users.

I recall that as early as 1954 a Senate committee found that public services amounted to approximately 12 percent of total costs; that in 1957 the same Senate committee made a determination that these costs might run as high as 14 percent. Since 1954, of course, air mail subsidies, and penalty and franked mail have been taken out of the Post Office Department for costing purposes and charged to the various Government agencies.

I believe the 7½-percent determination of the House Post Office and Civil Service Committee, amounting to $342 million, is a good determination. This provision was sponsored by my colleague, Congressman GEORGE M. WALLHAUSER, and received strong support on the part of the committee. Despite the amendment which has been offered here by our distinguished chairman, curtailing public services by approximately $94 million, I am of the firm opinion that our great Postmaster General recognizes the impact of public services and the necessity for pricing them out on a "total loss" basis, as required by law.

In this connection, I should like to call the committee's attention to a speech made by the Postmaster General in Houston, Tex., on December 6, 1961. Because of its recognition of the many public services provided by our great Post Office Department, including small post offices and rural routes, I ask permission to have this statement included with my remarks in the CONGRESSIONAL RECORD at this point:

ADDRESS OF POSTMASTER GENERAL J. EDWARD DAY BEFORE THE NIMS ADVISORY COUNCIL, HOUSTON, TEX., DECEMBER 6, 1961

Mr. Chairman, distinguished guests, ladies and gentlemen, Houston is to the U.S. Post Office Department what the Oilers are to the American Football League—well, almost, anyway.

While Houston is not the largest of our post offices, it is certainly one of the best, and it ranks among the 20 biggest postal installations in the country, which make up about one-third of the national post office business.

As of the beginning of this fiscal year, Houston reported gross annual postal receipts amounting to about $21 million and an annual mail volume of 878 million pieces—including 303 million pieces of first class originating mail.

The payroll for the Houston post office covers some 3,368 persons—more, incidentally, than are employed in several entire States.

Thus, Houston ranks favorably in a national establishment which employs some 580,000 men and women, and annually handles more than 65 billion pieces of mail a year—enough to fill a train of railroad cars stretched from Boston to San Francisco.

This represents two-thirds of all the mail handled in the world. In other words, we handle twice as much mail as all the other post office departments in the world put together.

Because of its size, the U.S. Post Office Department is often referred to as the biggest business in the world.

At a matter of fact, we are the largest civilian organization in the world. But we are not a business. Many of our operations and policies cannot be equated with private enterprise. They are, and should be, different. It is certainly not unusual for a postal operation to be compared to a private business. In some countries, indeed, the similarity is very close.

For example, in England, the post office not only sets its own postal rates and operates at a profit, but it pays income taxes on its profits and real estate taxes on the buildings it owns, just as a private business would.

There are some important parallels between the Post Office Department and a private corporation. But there are equally important differences. The Department's operations and mission are quite different from those of a private business and that is as it should be. But we seek to use the best techniques and ideas of private firms in the operation of the public's business.

First, let me cite one good example of the difference between the Post Office Department's public operation and the operation of a private enterprise.

Sixty years ago, we had over 70,000 post offices, most of them to serve rural America. Since that time, about half of that total have been closed up. These were mainly post offices serving very small communities, which shrank further in size or disappeared altogether.

But a great many of our post offices are still in small villages and many of our 30,000 rural delivery routes are in sparsely populated areas where there may be as few as two house to the mile.

Now were we a distribution and communications system operated purely for profit, we would have to discontinue a great many of these small post offices and rural routes. From a strictly dollars-and-cents point of view, many of them do pay their own way. But in fulfilling our obligation to provide service to all the people in all the 50 States, we in the Post Office Department quite properly keep them going.

Were we a private company engaged in intercity transportation and delivery of packages, we probably would not attempt to provide a regular service to small towns or rural areas. Such companies often skim off the cream of the parcel business by serving locations of big volume and concentrated population and leave the uneconomical routes exclusively to the Post Office.

The Post Office Department performs many functions which are in every sense—including a legal sense—of a public service nature. We carry much mail at sharply reduced rates, at only a small fraction of our cost, for

religious, charitable, educational and other not-for-profit corporations. Special types of mail for the blind are carried free. Small-town newspapers are usually carried free or for an insignificant rate.

These are public services which are not parallel to an operation for profit. We perform many nonpostal services, such as handling the registration of 3 million aliens a year, selling migratory bird stamps to hunters, and distributing forms for the Census Bureau and the Peace Corps.

The count of game birds is even conducted by our rural carriers for the Fish and Wildlife Service and we even make a livestock census for the Department of Agriculture. We are reimbursed for some of the nonpostal services, but not for others.

Unlike private business, we are unable to control our own price structure. We are currently operating at a gross deficit of some $850 million. But we have not yet been able to get congressional approval for a rate increase, even though our 4-cent first-class rate has gotten as out of date as a nickel phone call.

We are in high hopes of obtaining congressional action when Congress returns next January on this question of rate increases which we regard as vitally important.

The first-class rate has gone up only 33 percent since 1932. During that time the cost of living has increased 118 percent. The 1-cent increase in the first-class rate would cost the average household less than one-half cent per day.

Time and again President Kennedy has urged enactment of a new, more equitable postage rate, but Congress, nevertheless, did not see fit to grant such an increase during its recent session.

We cannot increase our own rates for first-, second-, and third-class mail. But we can and do improve efficiency and effect economies.

As long ago as 1890 our Department had 100,000 employees. Today we handle 13 times as much mail as we did then, but have less than 6 times as many employees.

Thus, over the years, there has been a remarkable increase in productivity.

Since 1940 the number of pieces of mail handled by the Department has increased 128 percent, but the number of employees has increased only 59 percent.

In New York City alone we handle more mail each day than does the entire British postal system, which serves 80 million people.

Our volume goes up 3 to 4 percent each year, not only because of population but because of more pieces of mail per year per person. In 1940 we handled 210 pieces of mail per year per person.

Today, the figure is 355.

By 1970 it will be 420.

We have 580,000 employees. We operate 35,000 full-fledged post offices and over 9,000 stations and branches. We have over 30,000 rural routes, covering a total of 1¾ million miles. We operate a fleet of 45,000 Government-owned vehicles.

The productivity improvement of the American postal system is even more marked when one realizes that 150,000 of our employees are city letter carriers and despite increased use of mailsters and other vehicles, where they can improve service and efficiency, the number of city carriers must constantly grow to serve an expanding population.

Another place where we differ from, say, a manufacturing corporation is in our use of mechanization.

Although the Department has been experimenting since 1922 with mechanical mail-handling equipment, mechanization has not yet accounted for any significant part of our productivity improvement.

We are moving ahead with our mechanization efforts. A large California firm, Food Machinery & Chemical Corp., of San Jose, is developing for us greatly improved equipment for mechanical mail sorting.

But there are several very important differences between use of mechanization for a manufacturing operation and for mail handling. If a firm is using automated equipment for making cigarettes or ballpoint pens, there can quite properly be a tolerance for some damage or destruction if the machinery is not working properly.

But in handling mail, we must assume that every piece is important and that it must get through with certainty and without being cut or torn. We cannot allow a margin for error to accommodate defects or temporary failures of the equipment.

Early in our administration, we issued an invitation to the Nation's industrial engineering and research talent to join with the Government in tackling the fantastic mechanical problems involved in moving and delivering the mail.

Today's volume of 65 billion pieces of mail is expected to double in the next half century. This monumental task—the task of moving this mountain of mail—demands more attention than can be given it by one organization, private or public.

We have asked private industry to send their research men to us, to find out our requirements—and to come back to us with prototypes of fresh, new mechanized answers to our problems—answers promising enough to justify the investment of public money in further development.

For example, we need, and we believe private industry could develop, a simple, durable machine to read, face and sort mail by chemical or electronic operation—flexible, reliable and variable stamp dispensing equipment—a basic sorting machine to sort mail by States—mailboxes which will stack letters as they are dropped in—equipment to sort packages without Rube Goldberg installations and squads of hovering mechanics.

We have no interest in gimmicks or gadgets. We have no interest in pie-in-the-sky projects full of ifs for the millennium of another century. We do have millions of pieces of mail to move every day and we need help to do it better today.

Should industry accept our challenge, we believe these concepts would find a broad market among the large mailers of the country. They would have application not only in thousands of post offices, but in other thousands of offices where close cooperation with the post office in preparation of mail in bulk has been recognized by multimillion mailers as the first step toward better postal service. This, I am convinced, can be a demonstration of free enterprise at its best. No subsidies, no confusion of function, no intrusion of Federal influence, no bureaucratic complexities, but as challenging an opportunity for Government-industry cooperation and the creation of new markets as exists in the Nation today.

One of our major problems in the post office is that we do not have a steady flow of work which would make it possible to make use of expensive machinery during the full day. In many of our post offices, 80 percent of the mail comes to us between 5 p.m. and 9 p.m. All the first-class mail must be worked as soon as we receive it. Because of its priority status, it cannot be backlogged or held back until the next morning.

If we put in enough mechanical equipment to handle this huge peak load on a current basis, much of the machinery would be idle the other 18 to 20 hours of the day.

To meet this problem, as you know, we have launched a high priority program to get major users of first-class mail to space their mailings so we can process their nonpriority items outside of the peak load hours.

A test in the Wall Street district of New York City showed trucks sent through at 5 p.m. picked up 6 million pieces of mail, compared with only 300,000 on an earlier pickup at 3:30 p.m.

This same experience could be repeated in the bulk of our cities.

However, to show what can be done, we were able to persuade heavy mailers to change their pattern of posting mail. The midafternoon pickup increased to 3 million letters—a 1,000 percent boost.

Similar improvements can be made—and must be made—to provide an efficient, sound postal system with resulting benefits for all of us in every city in the Nation.

Although improvements have been made through "mail early in the day" programs, further steps must be taken. For example, great quantities of first-class mail of a routine, nonpriority nature could be held over until the next morning. The big mailing rooms of large mailers could just as well be equipped with improved mail handling equipment as our post offices.

We call our current effort to reduce the peak mail load problem, through cooperative arrangements with our large mailers, the NIMS program—short for the nationwide improved mail service program.

In this city—as we have done all over the country in major commercial centers—we have established mail users councils to assist us in eliminating the problem, and to advise us on new methods of speeding mail handling and delivery. The 135 members of the Houston Mail Users Council are responsible for 41 percent of the total volume of first-class mail originating in this city.

Annually you purchase almost $7 million worth of stamps—one-third of the gross receipts of the Houston Post Office.

In addition, big mailers of the Houston area have 2,250 postage meter accounts which generates $9,604,000 in receipts annually.

Reports from your postmaster, Mr. Elder, indicate that in October some 705,000 pieces of first-class mail, or 34.6 percent of the total, were deposited in the post office daily before 5 p.m., and 1,335,000 pieces of first-class mail, or 65.4 percent, were deposited after 5 p.m.

However, a more recent survey, just completed, indicates an increase in the peakload mail volume in Houston. This latest report shows 69.2 percent of your daily first-class mail volume being dropped in the post office after 5 p.m. and only 30.8 percent deposited prior to the 5 p.m. rush.

It is my sincere hope that this is merely a temporary setback, and that we will be able to make greater progress as time passes in cutting down our peakload problem in Houston.

With the assistance of such mail users councils as you have here in Houston, we are beginning to make some progress toward alleviating the alpine heaps of mail that clog our post offices during the after-5 rush hour, jeopardizing speedy and efficient movement of important mail.

In fact, a survey after the first 4 months of this program indicated that we have already shifted upward of 5 percent of the Nation's mail volume from late afternoon or evening processing to an earlier time.

This NIMS program is just one example of our approach to improved efficiency and better service. It is a good example of the progress that can be made by mutual cooperation between business and the Government.

Another example of the Government—the Post Office Department—and private enterprise working hand in hand to provide needed services for our citizens is our commercial lease post office program.

Under authority granted by Congress, the Post Office Department often uses arrange-

ments similar to those used by private industry in acquiring needed new facilities.

The operations of the Post Office Department, and the Federal Government as a whole, have a significant impact on the economic activity and growth of most communities in the United States.

The Government relies on the private economy to produce the necessary public revenue, and the private economy cannot produce that revenue unless it is continuously growing and making a fair profit.

Traditionally, the vigor and thrust of our society has relied upon the creative drive of our private economy; that tradition is fully maintained by this administration. Indeed, to achieve the goals set by President Kennedy—goals capable of realization under this administration—will require serious, constant, and close cooperation between business and government.

Lower profits for business leaves government with the problem of curtailing necessary public services, risking our defense posture, or suffering a deficit. In the challenging times in which we as a free people are now engaged, we want none of these alternatives.

Because of the continued lag in the national economy until the spring of this year, we have a big deficit facing us for the current fiscal year. But income after taxes for 1961 will be up by more than $12 billion over 1960; and it is predicted that this increase will be doubled for 1962. Corporate profits have also shown strong gains, reaching an annual rate of $45,200 million in the second quarter of this year—a sharp rise from the first quarter low of $39,600 million.

The gross national product for the first quarter of this year, at the bottom of the recession, was $500 billion. In the fourth quarter it is expected to rise to $540 billion. By the end of the second quarter of next year, it will probably be between $565 billion and $570 billion.

Inventories are building up; retailers are stocking up; auto prospects are excellent, with sales up an estimated 15 percent; housing will be higher; people are stepping up their buying, for both cash and credit. Profits are up sharply, and will exceed the record rate by the end of this year or the beginning of next.

Next year, profits will reach about $54 billion—topping the previous high of $46 billion.

Much of this is the result of the first-year effort of an administration convinced that in this era of history our economy can only remain strong if we have faith in private enterprise as the bulwark of our country's economic future.

As Treasury Secretary Douglas Dillon commented in a speech in San Francisco, "Unless we achieve steady and rapid economic growth with price stability, and full employment—unless we attain reasonable equilibrium in our balance of payments—we shall not have the capacity to cope effectively with international crises or to meet our urgent national needs here at home.

"The strength of our economy has a profound effect upon our future. Our place in the world of tomorrow depends upon the efforts we make today."

Two-thirds of the new money committed by the recent Congress was for increased national defense and space exploration. Our overall Federal expenditures are not historically high in comparison to the gross national product. Quite the contrary—in fiscal year 1962 they are expected to amount to some 16 percent of our gross national product—a proportion that has been exceeded in 8 of the last 10 fiscal years.

I am, by nature and by professional background, a businessman, as well as a lawyer. I am convinced that one of the keystones of this administration's governmental efforts is to encourage better business, not discourage it. For with a prospering economy our Nation prospers, and our Government fulfills its obligations to its citizens and to our friends in free nations throughout the world.

Our NIMS program represents a down-to-earth application of cooperation between business and Government. We are deadly serious about the necessity of making this program work. We know that billions of department store and utility bills, insurance notices, bank statements, dividend checks, and other items sent as first-class mail can be brought to our post offices in the off-peak hours. It only requires a top-level decision of management to bring it about and to make it last.

Our program was launched months ago. The results so far show we have only scratched the surface.

We know we can count on you for stepped-up cooperation. It is a good program that will help each of you and improve service for all mailers, large and small.

Now on the second point, and I spoke earlier of the fact that I would offer this amendment. This amendment would impose the pound rate increases on the newspapers so that the small publications of rural areas and smaller cities would have a differential by reason of weight—the weight of the editorial material and the weight of the advertising material—as against the corresponding weight of editorial and advertising material in the larger publications and in the larger magazines. Therefore, the revenue received would not be too far short of that proposed by the amendment offered by Chairman MURRAY, which would cut the surcharge in half and raise $41 million instead of $53 million.

Earlier here today, I pointed up the fact that the newspapers, both daily and weekly newspapers, operating in the larger cities of Montana as well as the rural areas are smaller in size and lighter in weight. Our newspapers do not compare in advertising revenue per page or per issue with the larger magazines and newspapers of the Nation. I think it is ridiculous that the smallest publications be charged the same 1 cent-per-piece surcharge as is charged the larger magazines or newspapers for service by the Post Office Department. As a matter of history, we have had per pound rates—that is, rates which charge per pound of advertising and rates which charge per pound of editorial material. By such rates a differential is maintained between the smallest publication with the smallest circulation and the largest publication with the largest circulation.

The amendment that I offer would increase the per pound rates in three stages, one each year of 5 percent. In addition, as a compromise, the per piece charge imposed would be one-fourth cent the first year which would be graduated to one-half cent the second year. The total revenue of my amendment would be $41 million increase to the post office as compared with a $53 million increase by Chairman MURRAY's amendment.

I urge this fairer kind of increase.

(Mr. OLSEN asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana [Mr. OLSEN].

The amendment to the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. CORBETT].

Mr. CORBETT. Mr. Chairman, I announced at the outset of these proceedings that I fully intended to support the Murray amendment, but the way it has been altered here on the floor has put me in a position where I cannot possibly vote for it. I recognize that it is pretty late in the day and the temper of the Members is such that it would be pretty hard to accomplish anything rational here. But if the Murray amendment were defeated we would go back to the committee bill as it came from the committee and that would, I am sure, be open to amendment and then possibly we could get something that would be a little saner, in my estimation. So I must say that I have to change my position in view of the amendments that have been adopted.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. CORBETT. I yield to the gentleman from New York.

Mr. BARRY. Mr. Chairman, I wish to say to the membership that I, too, was heartily in support of the Murray amendment. But in view of the gag rule imposed here we have not had opportunity adequately to explain the various amendments that represent the fine work of 3 years of study. In view of that I have to withdraw my support of the Murray amendment and urge all others to do so.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. ICHORD].

(Mr. ICHORD asked and was given permission to revise and extend his remarks.)

Mr. ICHORD. Mr. Chairman, I am wholeheartedly in favor of the purpose of the Cunningham amendment. I believe that the gentleman from Nebraska should be commended for assuming the leadership in the effort to prevent the flooding of Communist political propaganda into the United States at the expense of the taxpayers. However, in examining the amendment I find that it only forbids the Post Office Department from receiving, handling, transporting or delivering mail that has been determined by the Attorney General to be Communist political propaganda. There is no procedure set up for the Attorney General or the Post Office Department to intercept mail before it is delivered. And, of course, it is not going to do any good for the Attorney General to determine that it is Communist political propaganda after it has been delivered. I should like the gentleman from Nebraska to comment on how he contemplates the enforcement of his amendment.

Mr. CUNNINGHAM. Very definitely the mail would be intercepted at ports of entry. It would be sent to the Attorney General and, through the use of

what machinery he has available for other matters, such as the examination of pornographic literature, et cetera, he will determine whether it is Communist political propaganda.

Mr. ICHORD. It will be intercepted and opened?

Mr. CUNNINGHAM. At the port of entry. You see, second- and third-class mail is open mail. You can open that any time you want to.

Mr. ICHORD. Do you not think you should spell that out in the amendment?

Mr. CUNNINGHAM. No; I believe that the amendment will take care of that.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. JOELSON].

Mr. JOELSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JOELSON to the amendment offered by Mr. MURRAY: Strike out section 3 in its entirety and renumber succeeding sections.

Mr. JOELSON. Mr. Chairman, I do not delude myself that this amendment is going to pass, but I feel impelled to offer it nonetheless. This amendment will do away with an increase in the first-class mail rates.

The Post Office Department tells us that first-class mail is self-supporting. It tells us that second and third-class mail are responsible for the deficit. Now this being the case, why on earth should we increase the rate on the first-class mail users? It just does not make any sense to me.

If you want to give a subsidy to the magazine industry and to the mail order industry, at least give it to them out of the general Treasury, but do not soak the poor man who has no pressure groups or organizations to talk for him. If you want to give away money and if you want to subsidize magazines and mail-order houses, do it out in the open. Call it a subsidy and give it to them out of the general revenues of the country, but do not soak the man who is now paying his own way another penny for every piece of mail he sends. He is not profiting by the mail—he is communicating. Soak the ones who are profiting from the use of the mail.

Mr. Chairman, I urge the adoption of my amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. JOELSON] to the amendment offered by the gentleman from Tennessee [Mr. MURRAY].

The question was taken; and on a division (demanded by Mr. JOELSON), there were—ayes 51, noes 115.

So the amendment to the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. BOGGS].

Mr. BOGGS. Mr. Chairman, I will yield my time to the gentleman from Tennessee [Mr. MURRAY] when he is recognized.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. MURRAY] to close the debate.

Mr. MURRAY. Mr. Chairman, I yield back my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. MURRAY] as amended.

The amendment was agreed to.

Mr. ROGERS of Florida. Mr. Chairman, there is great concern on the part of the people of Florida and the Nation about the flow of subversive Communist propaganda into the United States. This vicious material enters the country and is delivered to the doorsteps of unsuspecting citizens.

Steps have been initiated by the Postmaster General to curb this flow of propaganda, but their effect has no yet resulted in a halt of this material. Current practice has the Postmaster General authorizing the display of notices in the Nation's 45,000 post offices. These notices warn that unsolicited Communist literature is coming into this country and being delivered. The warning suggests Americans receiving this propaganda to mark it "refused," and then return it to the Post Office Department.

Despite these good intentions, the latest figures show 76 million pounds of printed material sent into the United States during fiscal year 1961. The port of New York alone was a transmission point for approximately 1,341,298 pieces of printed matter from Communist bloc nations, and most of this mail was handled through the New York post offices, then distributed to American citizens.

Mr. Chairman, in 1959 this material flowed in at an increase of 40 percent above the rate of the previous year. The Supreme Court decision of last year gave strength to the constitutionality of the Subversive Activities Control Act. The FBI is doing an excellent job in combating subversion and infiltration of America by the Communists. Clearly, it is up to the Congress to now take measures which will give our Nation a three-pronged attack on international communism.

I find it comforting, as I am sure the American people are comforted, to see that the commtitee has exercised its wisdom and made provisions in this bill to control the flow of communistic propaganda.

Mr. WEAVER. Mr. Chairman, I am not in favor of the proposed increase of postal rates which the present administration is trying to jam down the throats of the American people. I have nothing but admiration for the President's expressed desire to balance the budget, and I am aware of the fine presentation he made to the Congress only last week in this respect. However, it seems to me that he is starting in a poor place and is basing his hopes for a balanced budget not so much by fiscal responsibility as he is on a 20- to 25-percent tax increase upon those who use the mails.

It has always seemed strange to me that of all the services rendered to the people by the Government of the United States, only the postal service is expected to make money. The Post Office Department is one of the very few specifically created by the Constitution of the United States. And yet such other constitutional agencies as the Army, the Navy, or the Patent Office are not required or expected to show a profit each fiscal year.

The Post Office Department provides a real and beneficial service to the people of this country. This service is not limited by any means to those who send letters—it benefits both the sender and the receiver. In fact, it would be difficult in many instances to say which receives the greater benefit—as for example, the dealer who mails a book, or the person who receives and reads with relish and enjoyment that book. The one is using the postal service for profit in a monetary sense, and is paying in the form of stamps a direct tax for that service. The reader is using the postal service for intellectual profit but he, too, through general taxation, is paying for part of this service. The two cannot be separated and one be told, in effect, "you must bear the entire burden of carrying the mail," while the other is told that the service to him is completely free.

The same situation prevails in many other fields, such as newspapers, magazines, and the like. The mailer is using the postal service for monetary profit; the receiver is using the same service for intellectual profit or for enjoyment. The one cannot be told he and he alone must bear the full cost of the mail service while the other benefits from this same service at absolutely no cost. And yet, that is what we are being asked to do by the administration in the present bill before the House.

If the administration is so insistent that the Post Office Department show a profit at the end of each year, it would seem to me only sound and just that the President apply this same principle to all other departments. For instance, instead of asking the Congress to enact his Federal school subsidy program, financed through appropriations from the general fund, it would seem to me logical that the President would come to us and say, "give me a law making it mandatory for every citizen in the United States who sends a child to school to pay a tuition fee—over and above other taxes—of $100 or $200 per year. As the costs of school construction and teachers' salaries go up, the tuition will, of course, have to go up because we must make our school systems show a monetary profit."

This may sound to some farfetched; but it is exactly what the President is doing in his demand for a postal rate increase at this time.

Mr. Chairman, aside from the service aspect of the Post Office Department and this rate increase request, I would like to point out one glaringly unfair feature of this bill. For years we have been hearing—on the best of authority—that the first-class mail is paying its own way. The 4-cent letter, the 7-cent airmail letter, and the 3-penny post card are paying their just and honest debts. And yet, Mr. Chairman, the President is asking the people who use this type of mail to add 20 or 25 percent to their costs now. Obviously, this is designed to return a

profit to the Treasury. If they were paying their own way before, why should their burden be increased now? It just does not make sense.

Mr. Chairman, the other day I received a letter from our good friend and colleague, the gentleman from Tennessee [Mr. MURRAY], chairman of the Post Office and Civil Service Committee. With that letter he enclosed a copy of an amendment to the present bill which he hopes the House will approve. I have no doubt but what that bill was carefully drawn but, to my mind at least, it has one terribly important defect. I refer to the business of the American taxpayers being asked to finance the distribution of Communist literature through our mails.

My friend and colleague, the gentleman from Nebraska [Mr. CUNNINGHAM], has long fought to end this disgraceful procedure. Last year he was successful in getting, as an amendment, his proposal banning such dissimenation Communist literature by our post offices. It appears now that the bill which has the administration's blessings will leave that important provision out. If the bill passes in its present form, our postal employees will be required to deliver and distribute this nefarious, subversive literature—and at taxpayers' expense. They will continue to find themselves in the weird position of bebeing forced to do during their working hours that which if done on their own—would preclude them from ever getting a job with the Federal Government.

Now, it may be that the House will reinstate the Cunningham proposal in the bill and insist that this distribution of Communist trash and worse come to an end—at least on a free basis. I hope it does take such action and let me assure you I will support any such amendment now and in the future. However, even if such an amendment is adopted, I shall not support the bill. There is too much in this measure that is bad, is not compatible with the well-being of our citizens, to be overcome by this one good aspect.

The President blames rising defense costs and the postal deficits for the fiscal problems faced by the Nation today. And yet, communication between people and the common defense are so essential to the welfare of the Nation that the Founding Fathers took especial note of them in writing the Constitution and very specifically provided for these services.

It would seem to me the course of wisdom on the part of the administration to look elsewhere for areas in which to cut. The President does not complain about the costs of any of the special services to limited groups of people which the Government performs. In fact, he wants to expand these special services and to make them even more costly. For reasons known only to himself, the President chooses to make an issue of an essential service which is of benefit to every citizen.

Another point I would like to raise at this time is the fact that the President makes much of the rate of pay of our postal employees. He blames their salaries—in large part—for the postal deficit. And yet we find no such mention in any of the President's speeches or the speeches of his people when they talk about other Departments of the Government. When the President tells us that there should be pay reform, say for the employees of the Department of Health, Education, and Welfare, he does not couple that statement with a warning that this will perhaps create a deficit. He does not ask the recipients of Hill-Burton hospital funds or the users of hospitals built by those funds to pay an extra tax so that employees of the Public Health Service might benefit by a Federal pay reform. He does not ask employers and labor unions to pay special and added taxes so that employees of the Department of Labor can benefit by a Federal pay reform. No, he reserves this gesture for the postal employees only. In my opinion this is a most unfair and unjust position; unfortunately, it is the position that the President has taken and one which he is demanding that the Congress impose upon the people.

Mr. Chairman, all in all this bill is unsound, uncalled for, and unnecessary, when it is placed in its proper perspective. I shall therefore vote against it and I call upon my colleagues in the House to do likewise.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PRICE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7927) to adjust postal rates, and for other purposes, pursuant to House Resolution 464, he reported the same back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. GROSS. Mr. Speaker, I demand the reading of the engrossed copy of the bill.

The SPEAKER. The Chair announces that further proceedings on the bill will be postponed until tomorrow.

EXECUTIVE ORDER ENDING RACIAL DISCRIMINATION IN FEDERALLY ASSISTED HOUSING IN THE UNITED STATES

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. LINDSAY] is recognized for 30 minutes.

Mr. LINDSAY. Mr. Speaker, on January 12, 1962, I wrote the President of the United States the following letter on the subject of his refusal to sign and issue an Executive order ending racial discrimination in federally assisted housing in the United States. The letter follows:

JANUARY 12, 1962.

The PRESIDENT,
The White House, Washington, D.C.

DEAR MR. PRESIDENT: I share the disappointment of millions to whom it has become apparent that no Executive order ending racial discrimination in federally assisted housing in the United States will be forthcoming. This is an abandonment of solemn pledges made by you during the 1960 campaign, upon which many Americans relied. I can see no valid reason for the breach.

In your state of the Union message you expressed great satisfaction with your own full exercise of executive powers. I submit that the single most significant exercise of executive power, which you have chosen not to exercise, relates to housing. You said as much during the campaign, and you said further that if elected you would have the courage to move on this front by a stroke of the pen. A year has gone by since inauguration and you have allowed the matter to drift. This is not full exercise of executive powers.

Add this omission to your continued refusal to submit a legislative program on civil rights to the Congress, also promised by you as a first priority matter, and the failure is compounded.

There are hundreds of thousands of American families who because of their race or creed cannot enjoy their just share in millions of federally assisted housing units. This is a situation which cannot be disregarded any longer. The volumes of reports, both public and private, and the pleas of civic, religious, labor and patriotic organizations on this score need no further emphasis.

Legislative advances in the area of civil rights made in previous years, plus the personal popularity which you enjoy, make the climate right for the immediate issuance of a truly effective Executive order barring discrimination in all housing programs which are aided in any way by the Federal Government. This would include all mortgage activities of banking institutions aided or supervised by the Federal Government in addition to public housing, urban renewal, FHA, VA, college housing and housing for the elderly. The Civil Rights Commission has recommended this. It is entirely feasible and must be done, as you have yourself pointed out on past occasions.

I respectfully urge you to live up to your promise and execute such an order promptly.

Respectfully yours,

JOHN V. LINDSAY,
Member of Congress.

Under date of January 16, 1962, I received the following reply from Mr. Lawrence F. O'Brien, Special Assistant to the President, in answer to my letter to the President:

THE WHITE HOUSE,
Washington, January 16, 1962.

Hon. JOHN V. LINDSAY,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN: The President has asked me to reply to your recent letter discussing civil rights legislation generally, and the issuance of an Executive order to eliminate discrimination in housing in particular.

As I am sure you are aware, the President addressed himself to those questions in his press conference yesterday, and his statement sets forth clearly his views on the subject.

Sincerely yours,

LAWRENCE F. O'BRIEN,
Special Assistant to the President.

Mr. O'Brien's reply is no answer at all to my letter, any more than is the President's statement on the subject in his press conference, in which he vaguely

TABLE 2.—*1956–61 Conservation reserve program: Estimated reserve acres for which contracts expire each year, by States* [1]—Continued

State	Acres released as of Dec. 31—										Total acres in reserve
	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	
Midwest area:											
Illinois	11,835	2,846	275,624	87,183	918	2,032	749	43,734	11,445	345	436,711
Indiana	18,251	4,332	267,069	118,895	4,290	1,169	437	54,322	24,520		493,285
Iowa	47,804	13,789	372,195	168,150	2,308	1,026	942	34,998	17,019		658,231
Kentucky	8,726	3,949	168,804	68,802	1,085	1,349	2,218	99,962	32,911		387,806
Michigan	38,913	15,614	286,739	162,434	1,410	8,100	5,330	95,804	93,726		708,070
Missouri	33,645	30,727	283,410	160,507	2,095	5,568	4,270	221,317	87,323		828,862
Ohio	21,504	6,663	246,321	140,062	1,010	1,254	792	50,552	48,441	50	516,619
Wisconsin	42,657	14,004	306,083	171,622	1,026	11,831	6,927	105,678	88,987	105	748,920
Northwest area:											
Idaho	13,397	6,421	93,620	44,255	2,507	6,535	1,485	83,748	39,347	225	291,540
Minnesota	194,766	167,131	607,352	186,368	8,894	189,556	136,809	304,267	105,984	2,049	1,903,176
Montana	29,988	14,503	142,191	59,587	2,921	13,891	14,450	224,883	124,989		627,403
Nebraska	42,435	17,022	349,887	144,540	2,488	10,124	7,396	218,394	83,839		876,125
North Dakota	199,662	130,617	513,792	402,433	8,316	199,864	129,771	571,752	548,512		2,704,719
Oregon	19,066	10,365	84,959	36,372	1,418	8,987	6,453	40,714	24,735		233,069
South Dakota	151,661	85,374	410,602	335,511	5,911	54,448	37,831	425,490	315,245		1,822,073
Washington	9,860	13,761	114,268	45,332	3,871	3,056	10,971	95,616	39,299		336,034
Wyoming	14,322	2,935	32,503	10,756		3,827	1,396	44,342	14,325		124,406
Southwest area:											
Arizona	4,676	477	438			1,739	431				7,761
California	16,223	7,470	89,546	36,586	3,103	1,801	1,427	32,937	11,740		200,833
Colorado	99,576	40,891	137,784	30,497	3,434	178,528	82,845	604,114	122,212		1,229,881
Kansas	72,390	79,120	344,243	110,378	11,179	78,191	94,193	412,997	247,283		1,449,974
Nevada											
New Mexico	85,986	14,211	13,813	470	251,424	308,208	113,288	77,559	360		865,319
Oklahoma	136,561	83,952	334,079	155,760	4,938	129,087	81,612	341,844	225,842		1,493,675
Texas	647,503	205,321	644,624	255,606	211,250	495,680	220,696	697,746	276,691		3,655,117
Utah	22,352	6,399	44,201	13,955	841	45,293	10,077	66,858	24,089		234,065
United States	2,172,411	1,099,019	7,491,923	3,651,955	547,827	1,973,950	1,360,675	6,489,562	3,714,363	9,859	28,511,544

[1] Based on report from Data Processing Center of contracts on record Jan. 1, 1961, derived by dividing annual payment for each year of expiration for each State by the State average rental per acre for all land in the reserve in 1961.

TABLE 3.—*conservation cover with cost-share assistance required under contracts in force July 15, 1960, by States, with total completions as of that date*

State	Conservation cover required to be established with cost-share assistance on contracts in force July 15, 1960 [1]						Estimated U.S. cost-share payment, dollars [2]
	Grass and legume cover, acres	Tree cover, acres	Ponds		Wildlife cover, acres	Acres flooded for wildlife	
			Number	Acres			
Alabama	165,713	218,670	112	313	1,544	25	4,162,144
Arizona	7,751						63,164
Arkansas	298,388	97,146	125	1,852	912	1,347	2,545,786
California	90,891	25	5	6	1,599	2,355	1,005,863
Colorado	1,272,902	826	19	35	278	20	4,840,411
Connecticut	930	312	1	1	10		20,713
Delaware	11,824	756	6	4	160	1	183,486
Florida	52,701	164,053	4	13	683		1,877,263
Georgia	308,254	694,938	85	261	2,101	9	9,827,906
Idaho	237,718	1,488	3	4	404	100	1,262,424
Illinois	329,838	4,188	99	146	2,915		2,901,737
Indiana	267,784	2,467	123	343	6,493	96	3,050,148
Iowa	265,715	4,616	152	633	22		1,708,839
Kansas	1,358,584	420	38	52	141	195	14,274,176
Kentucky	230,986	4,297	575	786	494		4,468,618
Louisiana	57,776	88,544	98	1,374	264	547	776,307
Maine	33,427	17,093					1,209,088
Maryland	27,059	3,366	27	25	6,021	3	448,183
Massachusetts	342	429			67		20,276
Michigan	148,791	31,005	45	254	4,496	115	3,271,989
Minnesota	1,160,396	28,337	3	4	124	65	6,816,070
Mississippi	192,957	65,153	24	287	1,043	111	2,021,735
Missouri	474,292	2,915	2,257	3,877	186	2,448	11,596,850
Montana	559,789	1,235	3	7	255		1,769,573
Nebraska	685,207	962	13	31	132		4,580,203

State	Conservation cover required to be established with cost-share assistance on contracts in force July 15, 1960 [1]						Estimated U.S. cost-share payment, dollars [2]
	Grass and legume cover, acres	Tree cover, acres	Ponds		Wildlife cover, acres	Acres flooded for wildlife	
			Number	Acres			
Nevada							
New Hampshire	99	4,651	22	37	1	1	124,121
New Jersey	23,898	438	4	4	174		517,304
New Mexico	862,503						4,323,124
New York	90,370	54,088	789	1,176	306	64	3,363,048
North Carolina	74,941	108,275	391	506	1,214	19	2,714,683
North Dakota	2,371,335	5,366	1	2	76,238	871	11,374,286
Ohio	154,181	2,468	259	517	21,174	51	2,319,089
Oklahoma	1,293,390	2,312	75	179	56,463	46	8,862,142
Oregon	148,829	5,973	14	20	5,214	556	1,332,536
Pennsylvania	49,484	11,558	87	198	285	3	1,208,859
Rhode Island	25						408
South Carolina	135,948	360,669	52	89	830	2,173	4,506,844
South Dakota	1,432,344	2,853	19	12	13,775	32	9,347,443
Tennessee	315,585	47,717	754	1,208	555	565	4,929,877
Texas	3,078,884	65,782	182	185	41,654		21,343,535
Utah	213,958	72					935,676
Vermont	90	11,657	38	51		4	281,877
Virginia	25,364	14,370	26	55	331	6	581,777
Washington	180,141	3,771	5	15	54,734	243	1,483,841
West Virginia	4,748	4,376	52	88	44	1	186,221
Wisconsin	228,235	28,829	18	46	1,744	27	1,942,290
Wyoming	91,939	74					235,175
Total [1]	19,016,296	2,168,540	6,605	14,666	305,080	12,099	166,617,108

[1] These columns exclude 7,143,232 acres of land in satisfactory cover when contract was signed or for which cover is established at no cost to this program.

[2] Items for each State reflect latest available estimate with adjustments for costs which have been found to be lower than original estimates.

THIRD-CLASS MAIL

Mr. GLENN. Mr. Speaker, there have been a good many statements to the effect that people do not like third-class mail. It is also argued that nobody responds to the sales messages contained in the 18 billion pieces of third-class mail handled annually by the Postal Establishment. These arguments are pure poppycock.

As my colleagues may know, Atlantic City is a depressed labor area. The people of Atlantic City are proud to have in their community an outstanding mail order operation, Spencer Gifts. This company employs between 150 and 400 people during the year. The postal bill of Spencer Gifts is almost $1 million annually and is by far the largest customer of the post office in Atlantic City. The fact that this company sells merchandise having a value of almost $6 million each year certainly gives the lie to the statements of those who charge that nobody reads or responds to third-class mail. Spencer Gifts is a catalog house and gives full value to its many customers. The products sold through its catalogs are purchased from business firms in almost every State of the Union.

As Postmaster General Day, himself, has pointed out in press conferences, the rate of postage for third-class mail has advanced 150 percent since 1952. The Congress has legislated three increases on this category of mail in the short pe-

riod of 10 years; one in 1952, another in 1959, and the last in 1960.

I firmly believe that another increase in the bulk third-class mail rate would only serve to reduce the volume of such sales literature and cause a drop in sales, something neither I nor the administration wants.

The committee bill raises various third-class rates to a sufficient degree. I do not believe we should vote for the administration substitute bill which would increase third-class mail rates even further.

The Commerce Department was supposed to conduct a survey to determine the impact on bulk mailers of the 1960 rate increase.

This has not been done.

In view of this failure on the part of the businessman's arm of Government to advise the Congress of the probable impact of another rate increase, I do not believe we would be acting responsibly if we approved the administration's substitute bill.

I will vote for the committee-approved bill and against the administration substitute.

[Mr. BARRY'S remarks will appear hereafter in the Appendix.]

THE REMEDY FOR DEFICITS IS SIMPLE: JUST SPEND LESS

Mr. GARLAND. Mr. Speaker, Mrs. May Craig, Washington correspondent for the Gannett newspapers, of Maine, has a national reputation for her shrewd reporting and analysis of the news in today's fast-moving world.

In the Sunday, January 21, 1962, Portland Sunday Telegram and Sunday Press Herald, Mrs. Craig discusses Federal spending. She concludes by saying:

It's simple, my friend—don't spent more than you take in.

So my colleagues may have the opportunity to study this penetrating column by Mrs. Craig, I include this article in the RECORD:

THE REMEDY FOR DEFICITS IS SIMPLE: JUST SPEND LESS

(By May Craig)

WASHINGTON.—It's not just the $93 billion budget the President has sent to Congress; it's the President's request for a $10 billion increase in the national debt limit past the present $298 billion that raises the blood pressure of conservatives. Year by year the national debt increases; year by year we pay out several billion in interest; year by year we run a deficit. We spend more than we take in. When Roosevelt came in he talked about how many governments are wrecked on the rocks of loose fiscal policy. He came in at the depth of the great depression and he had to spend for relief and recovery, and we have been spending ever since, under Democratic Presidents and the one Eisenhower Republican interlude.

There is one simple remedy for deficits—spend less than you take in. Kennedy talks about a balanced budget, as others have, but, in all the maze of figures and the false way we have of reporting actual spending, the public has no idea where it really stands.

Democratic Senator HARRY BYRD, of Virginia (often called a Republican who lives in Virginia) is chairman of the Senate Finance Committee. Very conservative, he is out of tune with Democratic spending. The increase in the debt must come first from the House, where all money bills (tax and appropriation) must originate, but BYRD is extremely important in what the Senate does and no bill can become law without both Houses. The Senator says he is willing to go along with an increase in the debt limit to $300 billion right away, because by the first of March, not 6 weeks away, we won't have enough money to pay our bills.

What a thing to have to tell Congress. The President told the leaders of both parties when they went down to the White House just before Congress met. We were not told by the White House that this is what the leaders were told, in the watery-say-nothing statement they gave out. But we hotfooted it to the Capitol and they told us there. There is so much more secrecy now about Government affairs, I don't know what we would do if we did not have Members of Congress to tell us.

This financial situation of our Government disgraces us internationally; we were so bad off a few months ago, with the drain on our gold and its consequences, that we had to ask help of our friends and allies. That makes them mistrust our financial stability, and how much they can depend upon us. What do you think they think now—when the President says we can't pay our bills, a couple of months from now, unless Congress lets him borrow a lot more?

When you keep on spending more than you take in and have such enormous debt, you just are not solvent. We are a capitalistic system. We rest on financial solvency. Dollars are part of our political bible. What do you think the Comunists are saying about the capitalistic system we are trying to get the rest of the uncommitted world to adopt? Senator BYRD is going to let the debt go up the necessary $2 billion, but he says he is going to have a sweeping investigation of our whole financial situation—and a good thing, too, and long overdue.

Senator DIRKSEN, the Senate GOP floor leader, is going along with BYRD on this. Incidentally, the "EV and CHARLIE" show is on again for the congressional season. This is Senator EVERETT DIRKSEN, of Illinois, and Representative CHARLES HALLECK, of Indiana, GOP House floor leader. Every Thursday when Congress is in session they have a press conference and it is so interesting, so sharp, that radio and TV cover it faithfully. They are both picturesque and informed speakers and they do not pull any punches, so reporters flock in to the show—which is in the old Supreme Court room in the middle of the Capitol, between the two Chambers.

The GOP is going to pick on spending and on foreign aid, billions of it, year after year, to friend and foe. They are going to ask what good it does us to help other countries, if we "go broke" ourselves. They are going to pick on the President's proposals for free lunches for school children all over the world. They will say these philanthropic schemes sound fine and may be very humane, but we can't afford to keep on carrying the world on our financial back—because that back is broken—when the President says we can't pay our bills in March if he doesn't get $2 billion more on the debt limit, and $8 billion more in the next fiscal year—then the Nation, as well as J.F.K., has a bad back.

We are all guilty together in this spending; everybody wants some of the Federal funds. But the President has the responsibility for the Federal spending. Everybody is willing to spend for defense, though the GOP and some Democrats are criticizing the President's demand for $4 billion of the $40 billion to land on the moon. "Is this trip necessary?" many Congressmen ask. Defense men say "Yes." The idiotic spending for agricultural surpluses and giving it away to everybody, friend and foe, is another thing Senator BYRD wants to ask about. It's simple, my friend—Don't spend more than you take in.

VFW: GUANTANAMO BASE

Mr. ARENDS. Mr. Speaker, there is a growing awareness throughout the Nation that the fall of Cuba into the Red orbit has created a threat to the security of the United States, the Americas, and the Western Hemisphere which is unprecedented.

The rise of Castro and his Communist regime in Cuba, and Castro's public oath of allegiance to the Kremlin underlines the deadly seriousness of what is going on on that island so close to the United States.

These are indeed days requiring sound thinking on the part of our citizens. Our Nation must fully understand, not only the course of events in Cuba, but what these events mean in terms of our national security.

In view of this funamental requirement for strong and clear thinking concerning Cuba, I recommend to the membership of the House an article, "Course of Events Supports VFW's Cuban Position," by Brig. Gen. J. D. Hittle, USMC, retired, director, national security and foreign affairs, Veterans of Foreign Wars of the United States, in the Illinois VFW News of January 1962.

The Illinois VFW News is the highly regarded official publication of the Department of Illinois, Veterans of Foreign Wars of the United States, and is printed under the supervision of Department Commander Arthur J. Muller. The editor of the Illinois VFW News is Mr. Francis J. Arnold, adjutant of the Illinois VFW.

The article, I would point out, accurately reflects the views of Mr. Robert E. Hansen, commander in chief of the VFW. Commander Hansen recently returned from the Caribbean area, and a visit to the U.S. base at Guantanamo.

This article emphasizes the reasons why the U.S. Naval Base at Guantanamo Bay is so vital to the United States. Not only is it of strategic importance, but, as the article explains, a determined U.S. position with respect to the Guantanamo Base is necessary because the base is, in the eyes of all Latin America, a symbol of how the United States is going to react to Castro's threats and pressures.

I believe that it is also significant, as the article points out, that the Cuban Government is creating a Communist no man's strip completely around the boundary line on the U.S. base at Guantanamo. Obviously, Castro expects that there will be eventually a flow of refugees from his police state to the sanctuary of the American base. He is taking this means to isolate the base and to block the refugees. As the article points out, it is only logical to expect that communism, both in Cuba and elsewhere, is going to increasingly demand the ousting of the United States from the Guantanamo Base. This VFW article, in setting forth the vital strategic facts with respect to the U.S. base at Guantanamo, performs a highly useful service to our Nation. It is another ex-

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued January 25, 1962
For actions of January 24, 1962
87th-2d, No. 9

CONTENTS

Acreage allotments.....17	Education.....8	Housing.....7
Budget.....5,11	Farm labor.....12	Personnel.....4,13,15
CCC.....16	Farm program.....2,10	Postal rates.....1
Claims.....15	Flaxseed.....17	Price supports.....16
Dairy industry.....9	Foreign affairs.....18	Territories.....6
Economic policy.....18	Foreign trade.....14	Textiles.....3

HIGHLIGHTS: Rep. Arends criticized Secretary's farm policies. House Rules Committee denied rule on Department of Urban Affairs and Housing bill. Rep. Johnson, Wis., inserted Secretary's speech on dairy situation.

HOUSE

1. POSTAL RATES. Passed with amendments H. R. 7927, to adjust postal rates. pp. 707-9

Rep. Goodling discussed the postal bill, especially its impact on farm publications, saying, "This would appear to be an unreasonable increase and can only result in irreparable damage to an industry that has served agriculture for many years." p. 711

2. FARM PROGRAM. Rep. Arends criticized the policies of Secretary Freeman, stating that ASC committeemen had been advised "they were expected to support the President's program or resign," calling attention to an article stating that the "cooperative Federal-State Extension Service is being asked to enter the political arena to help shape future farm policies and programs," and saying "no solution to the farm problem will ever be found by continuing to make our farmers political pawns." pp. 712-3

3. TEXTILES. Rep. Hemphill discussed the impact of imports on the textile industry, inserting a number of articles and letters, and saying, "We demand that these people in the textile industry receive not only consideration but, if necessary, protection by this Government." pp. 715-27

4. PERSONNEL. Rep. Wickersham spoke in opposition to the proposed Federal salary increase, saying, "Congress should be seeking ways and means to reduce non-essential spending." p. 713

5. BUDGET. Rep. Curtis, Mo., discussed the budget, saying that it was "a juggled budget, not a balanced budget as advertised," and inserting a speech, "Observations on the 1963 Federal Budget Programs." pp. 729-30

6. TERRITORIES. Received from Interior a draft of a proposed bill "To amend section 8 of the Organic Act of Guam and section 15 of the Revised Organic Act of the Virgin Islands, to provide for appointment of Acting Secretaries for such territories under certain conditions"; to Interior and Insular Affairs Committee p. 731

7. HOUSING. The "Daily Digest" states that the Committee on Rules "Denied a rule on H. R. 8429, to establish a Department of Urban Affairs and Housing." p. D29

8. EDUCATION. The Rules Committee granted an open rule on H. R. 8900, to authorize assistance to public and other nonprofit institutions of higher education. p. D29

ITEMS IN APPENDIX

9. DAIRY INDUSTRY. Rep. Johnson, Wis., inserted Secretary Freeman's speech to the National Conference on Milk and Nutrition discussing the situation in the dairy industry and expressing concern over some of the problems facing the industry. pp. A485-6

Rep. Johnson, Wis., inserted a summary of the President's comments before the National Conference on Milk and Nutrition and commended the President's remarks "on the necessity of milk in the diets of both children and adults and on the safety of our milk supply from radioactive fallout." p. A498

10. FARM PROGRAM. Rep. Albert inserted Rep. Cooley's speech before the National Wool Growers Association discussing the farm situation, outlining the "basic requirements of a sound and sensible farm program," and urging greater unity as a means of solving farm problems. pp. A477-9

11. BUDGET. Speech in the House by Rep. Cannon inserting and commenting on various tables relating to the budget, including net budget receipts, expenditures and deficits, defense and nondefense expenditures, the Federal debt, and authority to obligate the Government, and urging that "the legislative committees refrain from processing any 'backdoor' appropriations." pp. A461-6

Extension of remarks of Rep. Mason contending that the President "is overly optimistic in his prediction of budget receipts for 1963." p. A461

12. FARM LABOR. Rep. Ryan inserted an article on migratory farm labor conditions, "Farm Camp Slum, Exposed 8 Years Ago, Is Still Hell." p. A468-9

Rep. Lindsay inserted an article on migratory farm labor conditions, "The Forgotten People -- Migrants Live Horror Story in Job Travel." pp. A491-2

13. PERSONNEL. Rep. Conte inserted an article critical of the increase in the number of Federal employees, "Battle of the Bulging Payroll." p. A471

14. FOREIGN TRADE. Extension of remarks of Rep. Dominick inserting an article on foreign trade problems and stating that the "solution is not merely connected

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 87th CONGRESS, SECOND SESSION

Vol. 108 WASHINGTON, WEDNESDAY, JANUARY 24, 1962 No. 9

Senate

The Senate was not in session today. Its next meeting will be held on Thursday, January 25, 1962, at 12 o'clock meridian.

House of Representatives

WEDNESDAY, JANUARY 24, 1962

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

One of our Lord's beatitudes:

Matthew 5: 6: *Blessed are they who do hunger and thirst after righteousness for they shall be filled.*

O Thou who art the light of all that is true and the inspiration of all that is good, may we dedicate ourselves more eagerly to the larger life of service to which Thy love is daily calling us.

May the soul of mankind be kindled and made radiant by the lofty principles of righteousness and justice, of freedom and brotherhood, for we confess that human nature seems at times so selfish and self-centered, so brutal and inhuman.

Show us how we may contribute to the welfare of our beloved country and in all our aspirations and activities may we be determined to cultivate its spiritual resources and strengthen its religious life.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Will the gentleman withhold his point of order until we receive a message?

Mr. GROSS. No, Mr. Speaker.

The SPEAKER. The gentleman from Iowa insists on his point of order that a quorum is not present. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 5]

Blitch	Hosmer	Rhodes, Ariz.
Bonner	Keith	Rostenkowski
Cannon	Martin, Mass.	Scott
Chiperfield	Meader	Selden
Davis, Tenn.	Merrow	Sheppard
Finnegan	Miller, N.Y.	Tupper
Flynt	Moulder	Ullman
Gray	Norrell	Van Pelt
Hoffman, Mich.	Patman	Winstead

The SPEAKER. On this rollcall, 402 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 8847. An act to amend the Internal Revenue Code of 1954 so as to provide that a distribution of stock made to an individual (or certain corporations) pursuant to an order enforcing the antitrust laws shall not be treated as a dividend distribution but shall be treated as a return of capital; and to provide that the amount of such a distribution made to a corporation shall be the fair market value of the distribution.

POSTAGE REVISION ACT, 1962

The SPEAKER. The unfinished business is the reading of the engrossed copy of the bill (H.R. 7927) to adjust postal rates, and for other purposes.

The Clerk will read the engrossed bill.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Postage Revision Act of 1962".

POSTAL POLICY

SEC. 2. (a) Section 2302(c)(4) of title 39, United States Code, is amended by striking out "deemed to be atttributable to the performance of public services under section 2303(b) of this title" and inserting in lieu thereof "determined under section 2303 of this title to be attributable to the performance of public services".

(b) Section 2303(a) of title 39, United States Code, is amended—

(1) by amending the heading so as to read:

"§ 2303. Identification of public services and costs thereof";

(2) by striking out paragraph (2) and renumbering the succeeding paragraphs accordingly; and

(3) by adding at the end thereof the following new sentence:

"The terms 'total loss' and 'loss' as used in this subsection mean the amounts by which the total allocated costs incurred by the postal establishment in the performance of the public services enumerated in this subsection exceed the total revenues received by the postal establishment for the performance of such public services."

(c) Section 2303(b) of title 39, United States Code, is amended to read as follows:

"(b) The Postmaster General shall report to the Congress, on or before February 1 of each year beginning with the year 1963, the estimated amount by which, in the then current fiscal year, the cost incurred by the postal establishment in the performance of each of the public services enumerated in subsection (a) of this section exceeds the revenue received by the postal establishment for the performance of each such public service. The aggregate amount by which, in any fiscal year, the costs incurred by the postal establishment in the performance of each such public services exceed the aggregate amount of the revenues received by the postal establishment for the performance

of such public services shall be excluded from the total cost of operating the postal establishment for purposes of adjustment of postal rates and fees."

(d) The table of contents of chapter 27 of title 39, United States Code, is amended by striking out

"2303. Identification of and appropriations for public services."

and inserting in lieu thereof:

"2303. Identification of public services and costs thereof."

FIRST-CLASS MAIL

SEC. 3. Section 4253 of title 39, United States Code, is amended by striking out the words "four" and "three" wherever appearing in subsection (a) and inserting in lieu thereof the words "five" and "four", respectively.

AIRMAIL

SEC. 4. Section 4303 of title 39, United States Code, is amended—

(1) by striking out the word "seven" in subsection (a) and inserting in lieu thereof the word "eight";

(2) by striking out the word "five" in subsection (b) and inserting in lieu thereof the word "six"; and

(3) by striking out the phrase "3 cents an ounce or fraction thereof" in paragraph (2) of subsection (d) and inserting in lieu thereof the phrase "the rate of postage for other first-class mail matter".

SEC. 5. Paragraph (1), subsection (a), section 4358, of title 39, United States Code, is amended to read as follows—

"(1) resides in the county in which the publication is published; and".

SECOND-CLASS MAIL BEYOND COUNTY OF PUBLICATION

SEC. 6. Section 4359 of title 39, United States Code, is amended—

(1) by striking out so much of subsection (b) as precedes the table and inserting in lieu thereof the following:

"(b) (1) Subject to the minimum rate provided for publications of qualified nonprofit organizations and classroom publications by section 4360 of this title, the rates of postage on publications mailed in accordance with subsection (a) of this section are fixed both by the piece as provided in paragraph (2) of this subsection and by the pound as provided in the following table:

"Type of mailing	Rate	Unit
	Cents	
(1) Individual piece	4	First 2 ounces or fraction thereof.
	1½	Each additional ounce or fraction thereof.
(2) Bulk mailings under subsec. (c) of this section of:		
(A) Books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions and plants:		
(i) Qualified nonprofit organizations	10	Each pound or fraction thereof.
(ii) Others	18	Do.
(B) Other matter	21	Do."

(2) by amending the table in subsection (b) to read as follows:

"Mailed by—	(In cents)
Other than qualified nonprofit organizations	3½
Qualified nonprofit organizations	1¼";

and

(3) by amending subsection (c) to read as follows:

"(c) The minimum postage rate on pieces or packages of third-class mail of such size or form as to prevent ready facing and tying in bundles and requiring individual distribution is four and one-half cents."

(c) The third proviso in section 3 of the Act of October 30, 1951, as amended by the Act of June 23, 1959 (73 Stat. 89; Public Law 86–56), is hereby repealed.

EDUCATIONAL AND LIBRARY MATERIALS

SEC. 10. (a) Section 4554 of title 39, United States Code, is amended—

(1) by amending that part of subsection (a) which precedes paragraph (1) to read as follows:

"(a) Except as provided in subsection (b) of this section, the postage rate is 9 cents a pound for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof, except that the rates now or hereafter prescribed for third- or fourth-class matter shall apply in every case where such rate is lower than the rate prescribed in this subsection on—

(2) by amending paragraph (5) of subsection (a) to read as follows:

"(5) sound recordings;";

(3) by striking out the period at the end of paragraph (6) of subsection (a) and inserting in lieu thereof a semicolon and the word "and";

(4) by adding at the end of subsection (a) the following:

"(7) printed educational reference charts, permanently processed for preservation.";

(5) by inserting "(including cooperative processing by libraries)" immediately following "loaned or exchanged" in paragraph (1) of subsection (b);

(6) by striking out the word "students'" immediately preceding the word "notations" in paragraph (1) of subsection (a) and in paragraph (2) of subsection (b);

(7) by striking out:

"(D) bound volumes of periodicals;

"(E) phonograph recordings; and" in paragraph (2) of subsection (b) and inserting in lieu thereof:

"(D) periodicals, whether bound or unbound;

"(E) sound recordings; and"; and

(8) by striking out "and catalog of those items" in subsection (c) and inserting in lieu thereof "scientific or mathematical kits, instruments, or other devices and catalogs of those items, and guides or scripts prepared solely for use with such materials".

(b) Sections 204(d), 204(e)(1), and 204(e)(2) of the Postal Rate Revision and Federal Employees Salary Act of 1948, as amended by the Act of July 14, 1960 (74 Stat. 479; Public Law 86–644), are hereby repealed.

MINIMUM POSTAGE RATES ON SECOND-CLASS MAIL

SEC. 7. Section 4360 of title 39, United States Code, is amended to read as follows:

"§ 4360. Minimum postage

"The minimum rate of postage is one-eighth cent for each individually addressed copy of—

"(1) a classroom publication or a publication of a qualified nonprofit organization mailed under section 4359 of this title, or

"(2) any publication mailed for delivery within the county of publication except when mailed free under section 4358(a) of this title."

CONTROLLED CIRCULATION PUBLICATIONS

SEC. 8. Section 4422 of title 39, United States Code, is amended by striking out "12 cents" and inserting in lieu thereof "14 cents".

THIRD-CLASS MAIL

SEC. 9. (a) Section 4451(d) of title 39, United States Code, is amended by striking out "(a)(2)" and inserting in lieu thereof "(a)(3)".

(b) Section 4452 of title 39, United States Code, is amended—

(1) by amending the table in subsection (a) to read as follows:

METHOD OF DETERMINING GROSS RECEIPTS

SEC. 11. Section 711(c) of title 39, United States Code, is amended by striking out "Public Law 85–426" and inserting in lieu thereof "any Act of Congress enacted on or after May 27, 1958".

COMMUNIST POLITICAL PROPAGANDA

SEC. 12 (a) Section 505 of title 39, United States Code, is amended by inserting immediately after the first sentence and before the second sentence in subsection (a) thereof, the following sentence: "In furtherance of this authority to counteract adverse usage of the mails and to reduce the domestic postal deficit, no international mail handling arrangement under which any postal rate, whether or not reciprocal, is established, shall permit the receipt, handling, transport, or delivery by the United States Post Office Department of mail matter determined by the Attorney General to be Communist political propaganda."

(b)(1) Chapter 51 of title 39, United States Code, is amended by adding at the end thereof the following section:

"§ 4008. Communist political propaganda

"No United States postal rate established by the Postage Revision Act of 1962 shall be available for the receipt, handling, transportation, or delivery of mail matter determined by the Attorney General of the United States to be Communist political propaganda financed or sponsored directly or indirectly by any Communist controlled government."

(2) The table of contents of such chapter 51 is amended by inserting.

"4008. Communist political propaganda,"

immediately below

"4007. Detention of mail for temporary periods."

EFFECTIVE DATE

SEC. 13. The foregoing provisions of this Act shall become effective on July 1, 1962.

Mr. ALBERT (interrupting the reading). Mr. Speaker, I ask unanimous consent that further reading of the engrossed copy of the bill be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The SPEAKER. The question is on the passage of the bill.

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GROSS. Mr. Speaker, am I correct in my understanding that the Chair would not entertain a motion to recommit the bill H.R. 7927 to the Committee on Post Office and Civil Service with instructions to report the bill back forthwith as it was favorably reported to the House on September 7, 1961?

The SPEAKER. It is not a question of the Chair's not entertaining the motion; it is a question of the motion's not being entertainable under the rules of the House.

Mr. GROSS. Then the Chair is stating that the motion would not be in order.

The SPEAKER. Such a motion would not be in order at this stage.

The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

POSTAL INCREASE BILL

(Mr. WALTER asked and was given permission to extend in the RECORD at this point a release by the Post Office Department.)

Mr. WALTER. Mr. Speaker, bulletins in all 45,000 post office locations in the United States are calling attention to the possibility that Americans might receive unsolicited Communist propaganda and pointing out that it can be returned to post offices as refused.

The distribution of the posters by the Post Office Department was suggested by a bill (H.R. 5751) reported by the House Un-American Activities Committe and passed by the House in the last session of the Congress. Reported favorably by the Senate Internal Security Committee, this bill now awaits Senate action.

Noting that unsolicited Communist propaganda is being sent persons in this country, the poster says:

> This propaganda attempts to promote the objectives of the international Communist movement. It often appears on the surface to be innocent and unimportant.
>
> But the Communists regard propaganda as an important and necessary means for subversion of our Nation and the free world. In order to achieve the maximum impact, this propaganda often comes to unsuspecting addressees who are not associated with or in sympathy with Communist objectives.

After making clear that such materials are often not labeled to reveal origin or content, the posters make clear that it may be refused and returned but that the privacy of your mail continues to be respected by your Government and the Postal Service.

Printed material from all foreign nations is carried in this country on a reciprocal basis as other countries carry mail originating in the United States, according to the Post Office. The conventions of the Universal Postal Union covering the reciprocal exchange of mail among 112 member nations.

Under the convention, the Post Office explains, surface mail with postage paid in the country where mailed must be delivered to the addressee by the postal system of the country of destination without transfer of funds to that nation.

The advantage is clearly on the side of the United States in the reciprocal exchange of printed matter with other nations, according to the Post Office Department. Latest available figures show that 96 million pounds of printed matter were dispatched from the United States during fiscal year 1961 and only 76 million pounds were received from other nations in the same period.

This difference of 20 million pounds of printed matter delivered by other nations for Americans makes clear that the U.S. Post Office benefits from this mutual exchange of service.

Bureau of Customs' figures show a decline in incoming printed matter from Communist bloc nations, the Post Office Department said. During calendar year 1960, an average of 1,341,298 pieces of printed matter arrived monthly from Communist nations. Since March of 1961, the average has fallen to 865,636 monthly.

Confirming the contention that the United States gets much more than it gives from reciprocal delivery arrangements with Communist nations, the Post Office Department revealed that 2,500,000 pounds of letters and printed matter were sent to addressees in the eight Iron Curtain countries in the 12 months ending March 31, 1961, but during the same period only 1,600,000 pounds were received in the United States from these same nations.

PROGRAM FOR THE BALANCE OF THE DAY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to proceed for 1 minute to advise the House of the program for the balance of the day.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ALBERT. Mr. Speaker, I wish to advise the Members that the Committee on House Administration will call up this afternoon certain privileged resolutions which have unanimously cleared that committee.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. HALLECK. Mr. Speaker, I might say that I have inquired of the minority members of all the legislative committees involved, and the Members on our side say they have no objection but think the resolutions should be adopted.

Mr. ALBERT. I thank the gentleman.

For the information of the House I will read the resolutions that will be considered.

House Resolution 500, providing an additional $200,000 for the Committee on the Judiciary.

House Resolution 504, providing an additional $100,000 for the Committee on Banking and Currency, Subcommittee on Housing.

House Resolution 513, providing an additional $350,000 for the Committee on Un-American Activities.

House Resolution 509, authorizing seven additional employees for the Committee on Ways and Means; and

House Resolution 517, authorizing payment from the Contingent Fund of $387.73 for expenses incurred by the U.S. Constitution 175th Anniversary Commission, Hon. JAMES A. BYRNE, chairman.

LINCOLN BOYHOOD NATIONAL MEMORIAL

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2470) to provide for the establishment of the Lincoln Boyhood National Memorial in the State of Indiana, and for other purposes, with a Senate amendment thereto, disagree to the amendment of the Senate and ask for a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado? The Chair hears none and appoints the following conferees: Messrs. ASPINALL, RUTHERFORD, O'BRIEN of New York, SAYLOR, and CHENOWETH.

CORRECTION OF ROLLCALL

Mr. BYRNES of Wisconsin. Mr. Speaker, on rollcall No. 4 I am recorded as being absent. I was present and answered to my name. I ask unanimous consent that the permanent RECORD and Journal be corrected accordingly.

The SPEAKER. Without objection the correction will be made.

There was no objection.

REUNITING OF FAMILIES BY GRANTING NONQUOTA STATUS TO CERTAIN ALIENS

(Mr. BARRETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARRETT. Mr. Speaker, when the 2d session of the 87th Congress convened on January 10, 1962, I introduced H.R. 9493, a bill to reunite families in the United States by granting nonquota status to certain aliens entitled to a preference under the Immigration and Nationality Act. I have purposely delayed my remarks on the bill pending the receipt of vital data from the Department of State.

Mr. Speaker, the purpose of my bill is to alleviate the horrible conditions existing under the complicated procedure contained in the immigration law, which prevents alien members of families in the United States from coming here to join them—due entirely to the oversubscription of the quota. In particular, I have reference to the situation of the worthy people who have come here from Italy and find to their dismay that members of the families who were left behind only because there were no quota numbers available, were unable to come here with them or to join them.

On September 26, 1961, it is true, a law was enacted which granted nonquota status to alien family members who were waiting for quota numbers under the

second and the third preference for whom visa petitions had been filed prior to July 1, 1961. However, nothing was done about the people in the fourth preference category notwithstanding the fact that they also were the beneficiaries of approved petitions for quotas visas. Those people to whom I have particular reference are the brothers, sisters, married sons or daughters of citizens of the United States. There is no reason in the world why they should have been excluded from the law which was passed last year. They also yearn to be with their loved ones in the United States and they are entitled to come here for that purpose.

My bill, H.R. 9493, is a very simple one. It grants nonquota status to aliens who are in the second, third, and fourth preference categories, which includes parents of citizens of the United States; unmarried sons or daughters of citizens of the United States; spouses or unmarried sons or daughters of aliens now permanently here, and, the category mentioned about, the brothers, sisters, married sons or daughters of citizens of the United States. Please let it be noted that the fourth preference category, which will be benefited by my bill, also includes the spouse and children of the people in the fourth preference whom I have just designated. One of the most important features of my bill is the fact that these people will receive nonquota status if they have had a visa petition filed on their behalf with the Attorney General prior to July 1, 1962, thus changing the cutoff date enacted last year, which applied to the second and third preference classes. In other words, all of the "relatives" described in the immigration law who are in preference categories will be benefited by my bill and, depending on the efficiency of the Department of State, will be able to migrate promptly to the United States to rejoin their families here.

The Department of State informs me that under the act of September 26, 1961, 18,000 aliens became entitled to nonquota status in lieu of their previous preference position on the quota waiting list and of these 8,156 are in Italy.

I have also been advised that of that number, 4,714 have been issued nonquota immigrant visas thus far, including 2,389 in Italy.

Since my bill benefits the fourth preference category of alien relatives waiting for visas, I have inquired and ascertained from the Department of State that there are 131,260 prospective immigrants in Italy who are waiting for quota visas under the fourth preference and that the likelihood is that they will not receive their visas under the existing law for a good many years—specifically 12 years since the last fourth preference visa was issued in 1958 with the applicant holding the priority date of January 1, 1950.

Mr. Speaker, as I have indicated, this simple bill is humanitarian in nature. There is nothing unusual about its purpose since legislation of this type has been enacted in the past; nothing in it will destroy the basic immigration and nationality law of this country. In fact, it is entirely in keeping with the spirit which has been exhibited by the Congress over the last 10 years in granting special nonquota status to people who must be admitted to their country to rejoin their families.

There is nothing complicated about my proposal. It is simple and clear. I hope that there will be a general rallying behind my bill and that it will be speedily enacted into law. I certainly will expend every effort to accomplish that result.

POSTAL EXCHANGE WITH COMMUNIST COUNTRIES

(Mr. WICKERSHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WICKERSHAM. Mr. Speaker, many of us are extremely disturbed with the fact that Communist propaganda can flow into this country freely and be distributed by the U.S. postal system free of charge. The Communists have clearly abused the mail arrangements established under the Universal Postal Union. Many thousands of tons of Communist propaganda flow into this country and are delivered under an order of the Post Office of March 17, 1961. About 99 percent of the people contacted have said that they did not order the mail and did not wish to receive it. Persons in this country are compiling lists of students and others throughout the Nation and sending them to Moscow, where the material is shipped to them. The port of New Orleans alone counted over 300,000 packages of such Communist propaganda destined for schools and colleges in 1 year. From 5 to 15 separate pamphlets were contained in each package. Under the new order, this propaganda material is no longer screened by the Customs Bureau at the port of entry, because—according to the Post Office Department—the program had no intelligence value and it interfered with efforts to improve East-West relations.

Mr. Speaker, I find this a totally unconvincing explanation for the distribution of unwanted and unsolicited Red propaganda material. As the House Committee on Un-American Activities stated in its report of September 14, 1961:

> Within recent years we have observed an acceleration of the Communist brainwashing effort directed at the free world and particularly to residents of the United States. Within recent months, there has been observed a noticeable augmentation in the quality and proportion of such propaganda disseminated by means of first-class mail, as contrasted with other means in the total effort. This observation has been confirmed by representatives of the Department of Justice, who have met with the Committee in hearings as recently as September 13, 1961. With the growing power and arrogance of the Communist bloc, it is expected that Communist propaganda activities will continue to expand in the years that lie ahead.

The report of the House Committee on Un-American Activities indicates that Communist propaganda items from abroad transmitted through the U.S. postal service increased in the year 1960 to 137 percent over the year 1959, whereas the increase in the year 1959 over the year 1958 was only 18 percent. This is a development which the committee accurately describes as "astonishing." This material does not only come from Russia; during the 2 months of February and March 1961, over 162,000 packages of magazines and 11,000 packages of newspapers were addressed to the United States from Communist Cuba. This is a typical example of how the Communist theorists, now operating from their new base in Cuba, are following the basic principles of Marxism-Leninism to further the insidious purposes of the worldwide Communist movement.

It has been argued that giving the Communists greater freedom to disseminate propaganda in the United States is worthwhile in view of the increased opportunities which we have to get the American message through to the Russian people. But this claim ignores the fact that the United States sends very little mail behind the Iron Curtain in comparison with the flood of Communist materials now arriving in the United States. The bill introduced into the Congress in 1961 by the gentleman from Pennsylvania, the Honorable FRANCIS E. WALTER, would put much stricter controls on mail from abroad. It provides that it "shall be unlawful" for any person not within the United States to use the U.S. mails to distribute any "political propaganda" unless the foreign "person" registers with the Justice Department as a foreign agent and states on the mailed items that he is so registered. A Controller of Foreign Propaganda in the Treasury Department would be established to "maintain close liaison with the appropriate committee of Congress in order that they may be advised regarding the control of Communist and other foreign propaganda." Gentlemen, commonsense suggests that some measures of this type are needed to protect us from the insidious machinations of the world Communist movement within our own national boundaries.

Mr. Speaker, I want this use of our mail system by the Communists stopped. now. It is our duty as Members of Congress to take the initiative and stop these Reds here and now.

CORRECTION OF THE RECORD

Mr. MONAGAN. Mr. Speaker, I ask unanimous consent that in the permanent RECORD of the proceedings of January 18, 1962, my remarks on the late Sam Rayburn may be amended by changing the third word in the fourth paragraph from "effected" to "affected" and the seventh word in the next to last paragraph from "intensively" to "intensely."

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

NEED FOR MORE NURSING SCHOOLS AND MORE CANDIDATES FOR THE NURSING PROFESSION

(Mr. LANE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LANE. Mr. Speaker, not many people were aware that 1961 marked the 100th anniversary of the nursing profession.

The Post Office Department did issue a commemorative stamp. Its first day of issue was December 28, and I was fortunate to receive one through the thoughtfulness of the Westinghouse Broadcasting Co., of Boston, with a picture on the envelope of the "Capping Ceremony; a Big Moment in Life of Student Nurse."

True to its traditions of public service, Westinghouse reminded us, during the season honoring the birth of Christ the Saviour, of the women who help heal the sicknesses of human beings as members of the nursing profession

Whose humanitarianism, self-sacrifice, and dedication have made nursing so vital to the health of our country.

It was in the Crimean War, starting in 1853, that Florence Nightingale established the first dressing stations.

The 100th anniversary of the nursing profession in the United States coincides with the 100th anniversary of the Civil War, and the first organized effort to blend "Science and a Talent for Mercy" in caring for the sick and the wounded. Since then, nursing has become one of our most honored professions.

To become an "R.N." requires extensive study and training. There is a growing need and demand for their services, both in hospitals and private homes, but not enough girls are going into training.

Lack of facilities and incentives have caused a critical shortage of registered nurses. Our President, in his state of the Union message, spoke of this shortage, as a matter of national concern, and urged Congress to take appropriate action to facilitate and encourage the training of more nurses.

Subsequently, the New York Herald Tribune reported that: "18 British nurses arrive to help shortage." They were the first of 50 nurses recruited abroad to work at the Albert Einstein College of Medicine, Bronx Municipal Hospital Center, which has a shortage of 100 nurses.

Dr. M. Henry Williams, associate professor of medicine and physiology was quoted as saying:

The plan to import these nurses * * * was conceived among the faculty of the college. There is a shortage of approximately 60,000 trained nurses in this country * * *. We see this step as a practical approach to solving the immediate need in our teaching hospitals until our own school of nursing is completed.

I propose that the Congress, recognizing the essential service given by these angels of mercy in protecting the health of our people, should immediately consider practical ways and means to help overcome the shortage of trained nurses.

POSTAL RATE BILL

(Mr. GOODLING asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. GOODLING. Mr. Speaker, my remarks today are addressed specifically to the unreasonableness of the proposed increase on second-class postage rates. This applies to newspapers and magazines.

The Pennsylvania Farmer is published in Harrisburg, Pa., and has a circulation of more than 144,000. In 1961 this company paid $28,791 for mailing its magazine. The proposed increase of one-half cent per copy would add—and notice I said "add"—an additional $34,304 or an increase of more than 100 percent. The 1½-cent proposed increase in 1963 would add $102,912 to the cost or an increase of more than 300 percent. This would appear to be an unreasonable and very unrealistic increase and can only result in irreparable damage to an industry that has served agriculture for many years.

This and similar companies have received six rate increases in the past 9 years for a total of 130 percent. The company realizes distribution costs have risen and is willing to assume reasonable increases but this suggested increase does not appear to be in the reasonable category.

It should be noted that practically 100 percent of farm magazines are mail delivered. Very few have newsstand circulation. This simply means the impact is greater on this type magazine than those not completely mail circulated.

I stated at the outset, my remarks concerned mainly second-class mail. There is another aspect also that will add to costs if this amendment is adopted.

Most farm magazine subscriptions are renewed or new ones acquired by the use of third-class mail, thus adding additional cost to the publishers.

Farm magazines in the United States deserve a great deal of credit for our enviable production records through the dissemination of information derived from research, experiments and other types of current information. They are the logical and most simple means of supplying this information—possibly they should be penalized for helping produce surpluses. Surveys by all land grant colleges reveal farm publications do supply important information which most farm families use to put new practices into use which result in more efficient operation.

Farm investments are constantly increasing and it becomes more and more important that operators receive all information as it becomes available.

If I were to name the most asinine statement in connection with postal rate increases, the choice would be easy. It came in a letter dated January 22, 1962, which I assume each Member received. It was written by one in high position in the postal service. The following is an exact quote:

The proposed increase for magazines and newspapers would be limited to copies delivered "outside" their counties of publication.

Note the word "outside" is quoted.

That information raises the $64 question. How long could any farm publication survive if its circulation were pretty largely confined to the county of publication? One need not be an Einstein to answer that.

ELIMINATE CHARGES TO TOURISTS FOR CAPITOL TOURS

(Mr. DOOLEY asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and to include extraneous matter.)

Mr. DOOLEY. Mr. Speaker, I have today introduced a concurrent resolution which would, if agreed to by both bodies of the Congress, create a Board to look into the feasibility of eliminating the charges to tourists for Capitol tours.

The proposed Board, to consist of the Architect of the Capitol, the Sergeant at Arms of the Senate, and the Sergeant at Arms of the House would study all aspects of the question and submit its findings and recommendations to the Committee on House Administration and the Committee on Rules and Administration of the Senate, not later than January 1, 1963.

I am hopeful such a study would recommend means whereby these tourist charges could be eliminated.

I have had the Legislative Reference Service of the Library of Congress secure information regarding the prevailing practice in other countries in showing visitors through their capitol buildings, and have found that among the major capitals of the world, we are unique in this respect.

I could understand the basis for such a practice if this building were a museum. It is, however, a living, working institution.

While the fees are nominal—25 cents for adults, 15 cents for children—and the tours well worth many times that amount, the principle being violated over 900,000 times a year is that one should not have to pay anything to see one's own Government at work.

I would hope that this resolution would not result in any major changes in the present Capitol Guide Service, for these 24 individuals have been doing a creditable job through the years.

THE LIBRARY OF CONGRESS,
Washington, D.C., January 4, 1962.

To Hon. EDWIN B. DOOLEY.
From Foreign Affairs Division.
Subject: Information regarding other countries' practices with regard to showing visitors through their capitol buildings.

In answer to your request, subject as above, dated December 21, 1961, this office telephoned several Embassies and obtained the following information:

France charges no admission fee to enter its Parlement. However, one must get permission from the Secretary of Parlement before he can be admitted. This is best accomplished through the good offices of a member of the French Parliament. There is no guide service, but a man at the front desk will gladly answer pertinent questions.

Italy is in a rather unique situation. Its Parliament building is controlled by the municipal government of Rome. Nevertheless, this setup does not markedly alter their practice of guide service. There is no admission fee, but one must have a special pass. A foreign visitor may obtain such a pass upon the recommendation of his respective Embassy. There is no guide service per se, but a guard accompanies all tourists, and he will attempt to answer questions and explain about the building.

The Soviet Union likewise imposes no entrance fee upon tourists desiring to see the Kremlin. All the buildings are open to the public every day. No special arrangements for gaining admittance need be made for any of the buildings except the Oruzhanaya Palata. It, too, is open to the general public, but there is generally such a long line of people waiting to get in that it would be wise to arrange for a special tour. The regular guides speak in Russian, but one can obtain an interpreter through Intourist for whatever period is desired.

West Germany charges no admission fee and provides free guide service for those parts of the Bundeshaus which are open to the public. The guide service is operated by the Bundestag administration.

Canada also charges no admission fee, and provides free guide service through its Houses of Parliament in Ottawa.

Great Britain charges no admission fee, but provides no free Government-operated guide service. Foreign tourists may obtain passes to see Parliament in session by contacting either a Member of Parliament or their respective Embassy. The Houses of Parliament are open to the public on Saturdays and on certain holidays, when Parliament is not meeting.

MEXICO

National Palace: Permission to tour building can be obtained anytime from the Intendente del Palacio whose office is in the palace. The Government provides guides to conduct visitors through apartments. A tip of 2.50 pesos (20 cents) per guide is suggested. One or two pesos for the employee of the palace. (Terry's Guide to Mexico 1948.)

ARGENTINA

According to Mr. Mathe, first secretary of the Embassy in Washington, there is no formal guide service, nor is there an admission charge to the Edificio del Congreso.

CHILE

There is no formal guide service, nor is there an admission charge to the Edificio del Congreso.

BARRY A. SKLAR.
JOHN S. GOSNELL.

[From the Evening Star, July 1, 1961]

COMMERCIALIZED CAPITOL

Senator GORE makes a valid point in attacking the commercialization of some of the sightseeing services in the Nation's Capital. But in throwing stones at the conduct of private guides in front of the White House the Senator seems to forget that he lives in a glass house himself.

We refer to the tight little commercial sightseeing monopoly which operates in the Halls of the U.S. Capitol. While the 24 Capitol guides are appointed by the Sergeants at Arms of the House and the Senate, they for all practical purposes are operating a private business. The 25 cents a head which they collect for shepherding visitors around the building is tossed into a pool and divided among them weekly. It would be unnatural, therefore, if their primary concern were anything but the size of the groups they can round up.

This, of course, is an absurd situation. Capitol guides should be on the Capitol payroll, and their performance should be carefully supervised. The tours they conduct, furthermore, should be free. It is an indignity which has been permitted to exist for too long that citizens who come here from the far corners of the Nation should be charged a fee in order to gain a working knowledge of the major symbol of American democracy.

[From the New York Times, Mar. 21, 1961]

CRITIC AT LARGE—BASIC CONCEPT OF AMERICAN DEMOCRACY PREVAILS IN 25-CENT TOUR OF CAPITOL

(By Brooks Atkinson)

WASHINGTON.—For a change of mood, take the 25-cent guided tour through the Capitol.

Everybody has some grievance against the Government, contempt of Congress being practically the first article of good citizenship. But the guided tour in the company of other Americans suggests that the original idea remains unsullied. The beautiful building that symbolizes the Union, the unfailing courtesy of the attendants who meet the public and the modest manners of the tourists show that the idea of self-government is alive for everyone.

The symbol of government may be fairer than the fact. In practice, self-government may be squalid, unpredictable, and sometimes corrupt. But the tourists who wander quietly through the corridors and sit in the visitors' galleries believe in the American dream.

What the guides have to say is consistently interesting. Only experts can be as factual about the history of the various rooms, the significance of the paintings and the lore of this immense building where so many American worthies have talked and talked.

On this spot, John Quincy Adams, the old Roman, suffered the stroke that ended his long public career when, after having served as President, he served as a Member of the House of Representatives. On that spot, Abraham Lincoln attended to the national business when he was an obscure Congressman from Illinois. The building is steeped in memories.

But today's comments concern the public mood that sets this building apart from all others and continues the tradition of the original covenant. It is home for any American who comes to see it. Both the attendants and the tourists assume that every American has an equal right to be there. Egalitarianism has never been practiced with less effort or more clemency. The lovely white building with its immacuate corridors and footworn steps and its jumble of statuary silences the visitor as if it were a cathedral.

Although our guide had given her itinerant lecture more times than she could compute, she was impersonal about it. She did not try to impose her personality on the tourists or the building that contained them. Our party consisted of about 30 boys and girls of school age and 5 adults. Most of them were carrying cameras and the other impedimenta of the American sightseer. The clothes were informal and neat. Everyone appeared to be on a holiday excursion to a place of great personal interest.

As we made our way through the halls, stopping here and there to listen to the guide, and then filed unobtrusively into the visitors' galleries of the House and the Senate, I tried to think of the words that might describe the attitudes of the people. They were serious and receptive; they were willing to believe. None of the young people threw any gags around, and the adults looked both eager and respectful. The general mood was reverent, with a sense of participation in it.

Since the foundations of the Capitol were put down in 1800 for a structure that would represent the classical tastes of Washington and Jefferson, the building has grown enormously. Flanked by two huge wings, it is stupendous now. But the character has not been lost as the size has increased. Despite its grandeur, the building has a buoyant appearance, like a mansion on a hill; and the towering cupola has the grace to be also homely, as though it were confident without being proud.

What happens in the two legislative chambers is seldom on the spiritual level of the building. For the men and women who make the laws are not abstract principles but citizens; and they have to deal with commonplace realities. But many harsh and a few tragic experiences under the great dome have not contaminated the Capitol. The 25-cent tour suggests that the old idea is still pure.

THE FARM PROBLEM IS AN ECONOMIC QUESTION—NOT A POLITICAL ONE

(Mr. ARENDS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ARENDS. Mr. Speaker, no solution to the farm problem will ever be found by continuing to make our farmers political pawns. I repeat what I have said, time and time again: The farm problem is an economic question—not a political one—and should be treated as such.

But Orville L. Freeman, former Governor of Minnesota and now our Secretary of Agriculture, apparently does not intend to take the objective economic approach. Having had no experience in agricultural matters, he intends to utilize his abundant experience in politics. No doubt that is why he was made Secretary of Agriculture.

At a meeting of the ASC in Springfield, Ill., all the committeemen were advised, with the Under Secretary of Agriculture present, that while they could not be denied voting as they saw fit, they were expected to support the President's program or resign. In other words, they were expected to be politically active in behalf of the Kennedy administration.

I also call your attention to the article which appeared in the New York Times of last Sunday, an Associated Press story out of Washington. It states that "the cooperative Federal-State Extension Service is being asked to enter the political arena to help shape future farm policies and programs." As the article explains, this "would impose on the service a role it has studiously avoided in its long history."

Mark you, and mark you well, what Secretary Freeman is doing when he places the Extension Service of the Department of Agriculture actively into politics to advocate the administration's program. He is turning a nonpartisan educational agency into a medium for dissemination of political propaganda.

He is setting up a system for the party line conditioning of American youth. I need only to remind you that the Extension Service is the agency that administers the 4–H clubs of our young farmers. There are around 94,000 of these clubs in the United States with a total membership of 2,300,000 boys and girls.

Mr. Speaker, this type of thing must never be permitted to take place. No Secretary of Agriculture, whoever he may be or with whatever political party he may be affiliated, must ever be allowed to convert a service agency of his

87TH CONGRESS
2D SESSION

H. R. 7927

IN THE SENATE OF THE UNITED STATES

JANUARY 25, 1962

Read twice and referred to the Committee on Post Office and Civil Service

AN ACT

To adjust postal rates, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Postage Revision Act of 1962".

POSTAL POLICY

SEC. 2. (a) Section 2302 (c) (4) of title 39, United States Code, is amended by striking out "deemed to be attributable to the performance of public services under section 2303 (b) of this title" and inserting in lieu thereof "deter-

mined under section 2303 of this title to be attributable to the performance of public services".

(b) Section 2303 (a) of title 39, United States Code, is amended—

(1) by amending the heading so as to read **"§ 2303. Identification of public services and costs thereof";**

(2) by striking out paragraph (2) and renumbering the succeeding paragraphs accordingly; and

(3) by adding at the end thereof the following new sentence:

"The terms 'total loss' and 'loss' as used in this subsection mean the amounts by which the total allocated costs incurred by the postal establishment in the performance of the public services enumerated in this subsection exceed the total revenues received by the postal establishment for the performance of such public services."

(c) Section 2303 (b) of title 39, United States Code, is amended to read as follows:

"(b) The Postmaster General shall report to the Congress, on or before February 1 of each year beginning with the year 1963, the estimated amount by which, in the then current fiscal year, the cost incurred by the postal establishment in the performance of each of the public services enumerated in subsection (a) of this section exceeds the revenue received by the postal establishment for the perform-

ance of each such public service. The aggregate amount by which, in any fiscal year, the costs incurred by the postal establishment in the performance of each such public services exceed the aggregate amount of the revenues received by the postal establishment for the performance of such public services shall be excluded from the total cost of operating the postal establishment for purposes of adjustment of postal rates and fees."

(d) The table of contents of chapter 27 of title 39, United States Code, is amended by striking out

"2303. Identification of and appropriations for public services."

and inserting in lieu thereof:

"2303. Identification of public services and costs thereof.".

FIRST-CLASS MAIL

SEC. 3. Section 4253 of title 39, United States Code, is amended by striking out the words "four" and "three" wherever appearing in subsection (a) and inserting in lieu thereof the words "five" and "four", respectively.

AIRMAIL

SEC. 4. Section 4303 of title 39, United States Code, is amended—

(1) by striking out the word "seven" in subsection (a) and inserting in lieu thereof the word "eight";

(2) by striking out the word "five" in subsection

(b) and inserting in lieu thereof the word "six"; and

(3) by striking out the phrase "3 cents an ounce or fraction thereof" in paragraph (2) of subsection (d) and inserting in lieu thereof the phrase "the rate of postage for other first-class mail matter".

SEC. 5. Paragraph (1), subsection (a), section 4358, of title 39, United States Code, is amended to read as follows—

"(1) resides in the county in which the publication is published; and".

SECOND-CLASS MAIL BEYOND COUNTY OF PUBLICATION

SEC. 6. Section 4359 of title 39, United States Code, is amended—

(1) by striking out so much of subsection (b) as precedes the table and inserting in lieu thereof the following:

"(b) (1) Subject to the minimum rate provided for publications of qualified nonprofit organizations and classroom publications by section 4360 of this title, the rates of postage on publications mailed in accordance with subsection (a) of this section are fixed both by the piece as provided in paragraph (2) of this subsection and by the pound as provided in the following table:

"[In cents]"; and

(2) by adding at the end of subsection (b) a new paragraph (2), as follows:

"(2) The piece rates of postage are charged on each individually addressed copy of a publication (except a publication of a qualified nonprofit organization and a classroom publication) mailed in accordance with subsection (a) of this section in addition to the pound rates. The piece rates are as follows:

"Publications other than classroom publications and other than publications of qualified nonprofit organizations—½ cent, effective on and after July 1, 1962, and before July 1, 1963; and 1 cent, effective on and after July 1, 1963."

MINIMUM POSTAGE RATES ON SECOND-CLASS MAIL

SEC. 7. Section 4360 of title 39, United States Code, is amended to read as follows:

"§ 4360. Minimum postage

"The minimum rate of postage is one-eighth cent for each individually addressed copy of—

"(1) a classroom publication or a publication of

a qualified nonprofit organization mailed under section 4359 of this title, or

"(2) any publication mailed for delivery within the county of publication except when mailed free under section 4358 (a) of this title."

CONTROLLED CIRCULATION PUBLICATIONS

SEC. 8. Section 4422 of title 39, United States Code, is amended by striking out "12 cents" and inserting in lieu thereof "14 cents".

THIRD-CLASS MAIL

SEC. 9. (a) Section 4451 (d) of title 39, United States Code, is amended by striking out "(a) (2)" and inserting in lieu thereof "(a) (3)".

(b) Section 4452 of title 39, United States Code, is amended—

(1) by amending the table in subsection (a) to read as follows:

"Type of mailing	Rate	Unit
*		
	Cents	
(1) Individual piece	4	First 2 ounces or fraction thereof.
	1½	Each additional ounce or fraction thereof.
(2) Bulk mailings under subsec. (e) of this section of:		
(A) Books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions and plants:		
(i) Qualified nonprofit organizations.	10	Each pound or fraction thereof.
(ii) Others	18	Do.
(B) Other matter	21	Do."

(2) by amending the table in subsection (b) to read as follows:

"Mailed by—	(In cents)
Other than qualified nonprofit organizations	3½
Qualified nonprofit organizations	1¼";

and

(3) by amending subsection (c) to read as follows:

"(c) The minimum postage rate on pieces or packages of third-class mail of such size or form as to prevent ready facing and tying in bundles and requiring individual distribution is four and one-half cents."

(c) The third proviso in section 3 of the Act of October 30, 1951, as amended by the Act of June 23, 1959 (73 Stat. 89; Public Law 86–56), is hereby repealed.

EDUCATIONAL AND LIBRARY MATERIALS

SEC. 10. (a) Section 4554 of title 39, United States Code, is amended—

(1) by amending that part of subsection (a) which precedes paragraph (1) to read as follows:

"(a) Except as provided in subsection (b) of this section, the postage rate is 9 cents a pound for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof, except that the rates now or hereafter prescribed for third- or fourth-class matter shall

apply in every case where such rate is lower than the rate prescribed in this subsection on—

(2) by amending paragraph (5) of subsection (a) to read as follows:

"(5) sound recordings;":

(3) by striking out the period at the end of paragraph (6) of subsection (a) and inserting in lieu thereof a semicolon and the word "and";

(4) by adding at the end of subsection (a) the following:

"(7) printed educational reference charts, permanently processed for preservation.";

(5) by inserting "(including cooperative processing by libraries)" immediately following "loaned or exchanged" in paragraph (1) of subsection (b);

(6) by striking out the word "students'" immediately preceding the word "notations" in paragraph (1) of subsection (a) and in paragraph (2) of subsection (b);

(7) by striking out:

"(D) bound volumes of periodicals;

"(E) phonograph recordings; and"

in paragraph (2) of subsection (b) and inserting in lieu thereof:

"(D) periodicals, whether bound or unbound;

"(E) sound recordings; and"; and

(8) by striking out "and catalog of those items" in subsection (c) and inserting in lieu thereof "scientific or mathematical kits, instruments, or other devices and catalogs of those items, and guides or scripts prepared solely for use with such materials".

(b) Sections 204(d), 204(e)(1), and 204(e)(2) of the Postal Rate Revision and Federal Employees Salary Act of 1948, as amended by the Act of July 14, 1960 (74 Stat. 479; Public Law 86–644), are hereby repealed.

METHOD OF DETERMINING GROSS RECEIPTS

SEC. 11. Section 711(c) of title 39, United States Code, is amended by striking out "Public Law 85–426" and inserting in lieu thereof "any Act of Congress enacted on or after May 27, 1958".

COMMUNIST POLITICAL PROPAGANDA

SEC. 12. (a) Section 505 of title 39, United States Code, is amended by inserting immediately after the first sentence and before the second sentence in subsection (a) thereof, the following sentence: "In furtherance of this authority to counteract adverse usage of the mails and to reduce the domestic postal deficit, no international mail handling arrangement under which any postal rate, whether or not reciprocal, is established, shall permit the receipt, handling, transport, or delivery by the United States Post

Office Department of mail matter determined by the Attorney General to be Communist political propaganda."

(b) (1) Chapter 51 of title 39, United States Code, is amended by adding at the end thereof the following section:

"§ 4008. Communist political propaganda

"No United States postal rate established by the Postage Revision Act of 1962 shall be available for the receipt, handling, transportation, or delivery of mail matter determined by the Attorney General of the United States to be Communist political propaganda financed or sponsored directly or indirectly by any Communist controlled government."

(2) The table of contents of such chapter 51 is amended by inserting

"4008. Communist political propaganda."

immediately below

"4007. Detention of mail for temporary periods."

EFFECTIVE DATE

SEC. 13. The foregoing provisions of this Act shall become effective on July 1, 1962.

Passed the House of Representatives January 24, 1962.

Attest: RALPH R. ROBERTS,

Clerk.

87TH CONGRESS
2D SESSION

H. R. 7927

AN ACT

To adjust postal rates, and for other purposes.

JANUARY 25, 1962

Read twice and referred to the Committee on Post Office and Civil Service

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued February 21, 1962
For actions of February 20, 1962
87th-2d, No. 24

CONTENTS

Assistant Secretaries...36
Budget.....13
Cotton.....33
Electrification.....23
Expenditures.....15,29
Feed grains.....2
Farm labor.....8
Farm program.....13,26,34
Foreign trade.....12
Forestry.....4,10,21
House Membership.....16
Housing.....7
Information.....30
Irrigation.....18
Lands.....6,11
Legislative program.....20
Libraries.....17
Minerals.....31
Pay.....1
Personnel.....1,19
Public debt.....14,25
Public works.....27
Recreation.....4
Research.....10,21
Reservoir areas.....4
Rice allotments.....5
Soil conservation.....6
Sugar.....22
Urban affairs.....7,28
Veterans' benefits.....35
Water resources.....24
Weather.....30
Wheat.....3
Youth Corps.....32

HIGHLIGHTS: Both Houses received pay reform bill. Senate passed bills to: Permit summer fallow lands to participate in feed grains program. Permit producers to withdraw wheat from stored excess supplies. Rep. Rains urged increase in ACP authorization. Rep. Short criticized farm bill.

SENATE

1. PERSONNEL; PAY. Both Houses received the President's Federal pay reform message (H. Doc. 344) (pp. 2326-8, 2360-2). The President proposed an overall average pay raise of 10 percent for classified employees, ranging from approximately 3.7 percent in the lower grades to 35 percent in the upper grades, to become effective over a three-year period beginning Jan. 1, 1963. He stated that the proposal would enlarge the differences in salaries between the entry rates of successive grade levels by not less than 10 percent, provide wider salary ranges within each grade, and "create new upper grades to bring within the salary provisions of the Classification Act all those with top administrative responsibilities who are not Cabinet or sub-Cabinet officers or heads of separate agencies. He stated that the proposal also provides that the President shall submit an annual report to Congress on the relationship of Federal salaries to those reported by the Bureau of Labor Statistics for private enterprise, recommending whatever adjustments in salary schedules, structure, and policy he finds advisable.

2. FEED GRAINS. Passed as reported S. 2533, to permit farmers in summer fallow areas to receive barley, corn, and grain sorghum price support and to participate in the corn and grain sorghum diversion program provided they reduce their corn and grain sorghum acreage to the extent necessary to bring their acreage of corn, grain sorghum, and barley down to not more than 80 percent of the 1959-60 average of those three crops. pp. 2357-8

3. WHEAT. Passed without amendment H. R. 8842, to amend the Agricultural Act of 1961 so as to permit a wheat producer to withdraw from his stored excess the amount of wheat by which he fails to make his normal production on the reduced acreage allotment, less the acres voluntarily retired below the allotment. This bill now be sent to the President. pp. 2358-9

4. RESERVOIR AREAS. Passed without amendment H. R. 4934, to authorize the adjustment by mutual agreement of rental rates under leases for commercial recreational facilities on Forest Service lands at Federal reservoir projects when in the public interest. This bill will now be sent to the President. p. 2357

5. RICE ALLOTMENTS. Passed without amendment H. R. 9013, to provide for the transfer of rice acreage history where a producer withdraws from the production of rice. This bill will now be sent to the President. p. 2357

6. SOIL CONSERVATION LAND. Passed over, at the request of Sen. Smathers, S. 875, to authorize the Secretary of Agriculture to convey to Wyoming for agricultural purposes the SCS Farson Pilot Farm in Sweetwater County, Wyo. p. 2357

7. HOUSING. By a vote of 42 to 58, rejected a motion by Sen. Randolph that the Government Operations Committee be discharged from further consideration of S. Res. 288, opposing the President's Reorganization Plan No. 1 to provide for the establishment of a Department of Urban Affairs and Housing. pp. 2309-26, 2352-4

8. FARM LABOR. Sen. Pell urged enactment of legislation to provide Federal assistance to migratory farm workers and inserted an editorial supporting enactment of such legislation. p. 2351

9. DAIRY PROGRAM. Sen. Proxmire inserted his statement regarding his recent tour of Wisc. in which he states that "President Kennedy's new dairy proposal is in serious trouble," and lists a number of objections to the program. pp. 2337-8

10. FORESTRY. Sen. Proxmire urged additional funds for forestry research, particularly to expand the physical plant at the Forest Products Laboratory in Madison, Wisc., and inserted a letter from the Governor of Wisc. to Secretary Freeman urging his support for additional funds. pp. 2336-7

11. LANDS. Received from GSA a proposed bill "to amend section 3470 of the Revised Statutes to authorize the heads of departments and independent agencies to appoint agents to bid on behalf of the United States, at sales, on execution at the suit of the United States, of lands or tenements of a debtor"; to Government Operations Committee. p. 2329

12. FOREIGN TRADE. Sen. Javits discussed "the issues involved in my alternative approach to President Kennedy's goal of trade expansion," and inserted several articles on the subject. pp. 2342-7

87TH CONGRESS } HOUSE OF REPRESENTATIVES { DOCUMENT
2d Session } { No. 344

SALARY INCREASES FOR FEDERAL SERVICE EMPLOYEES

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

RELATIVE TO

SALARY INCREASES FOR FEDERAL SERVICE EMPLOYEES

FEBRUARY 20, 1962.—Referred to the Committee on Post Office and Civil Service and ordered to be printed

To the Congress of the United States:

The success of this Government, and thus the success of our Nation, depend in the last analysis upon the quality of our career services. The legislation enacted by the Congress, as well as the decisions made by me and the department and agency heads, must all be implemented by the career men and women in the Federal service. In foreign affairs, national defense, science and technology, and a host of other fields, they face unprecedented problems of unprecedented importance and perplexity. We are all dependent on their sense of loyalty and responsibility as well as their competence and energy; and just as they have responsibilities to the Government so does the Government have obligations to them.

We properly establish high standards for our public servants. We investigate their character and associations before considering them for employment. We hire them only after they have passed difficult examinations. We require them to abide by rigorous standards of conduct and ethics. We demand consistently high performance from them on the job. Accordingly, the salaries for the services they perform should be fixed under well-understood and objective standards, high enough to attract and retain competent personnel, sufficiently flexible to motivate initiative and industry, and comparable with the salaries received by their counterparts in private life. To pay more

than this is to be unfair to the taxpayers—to pay less is to degrade the public service and endanger our national security.

Unfortunately these basic standards for Federal salary systems are not met today. Too many Federal employees are underpaid in proportion to their responsibilities. Too many receive smaller salaries than are paid by many private industries, and even by many State and local governments, for less responsible work. Too many top-grade or supervisory Federal employees are paid little more, and sometimes even less, than their subordinates. Too many key career employees are unable to afford continued public service.

Existing statutory Federal pay structures cannot be justified as sound and equitable, either internally or externally. Internally, salaries between various levels of work should be enough to provide an incentive to undertake more responsible duties and to represent, dollarwise, fair differences in work requirements. Over the years, piecemeal statutory revisions—with primary emphasis on bringing the lower pay levels abreast of changes in the cost of living—have severely compressed the spread between the top and bottom salaries. The 8.8-to-1 and 12-to-1 salary ratios between the highest and lowest Classification Act and postal field service grades existing prior to World War II have shrunk to ratios of less than 6 to 1, making it impossible to offer pay increases consistent with the added responsibilities of grade-to-grade promotion, or to offer an appropriate range of incentives within a particular grade. There is little consistency or logic in the salary differences between existing grade levels. And employees paid under a wage board system, with wages based on the prevailing rates in industry, are frequently paid more than their supervisors whose salaries are fixed by the more rigid and less logical provisions of the Classification Act.

Externally, except for employees paid under wage board systems, Federal salaries generally do not compare favorably and cannot compete successfully with private industry. Every objective survey has demonstrated that salaried Government employees at almost every work level receive less compensation, on a national average basis, than private employees performing similar work—and the greater the level of difficulty and responsibility, the greater the gap between Federal and private pay. A Federal employee beginning a professional or administrative career can look forward to a maximum salary increase of no more than 4¼ times his entrance salary, whereas his counterpart in private industry can look forward to an increase of six or seven times his beginning salary. Moreover, the Federal employee's top salary, if he stays to reach it, will be less than half that of his private enterprise counterpart.

Even State and local governments have passed the Federal Government. The head of a Federal Cabinet department receives less than the head of a New York State department—less than the average salary paid to the superintendents of schools in cities over 500,000 population. The highest paid Federal employees under the Classification Act would obtain higher salaries if they were working in the State career service in Georgia, Ohio, New York, Pennsylvania, Illinois, Michigan, or California, for example—or for the cities of St. Louis, Denver, Detroit, San Francisco, Los Angeles, and Philadelphia.

The difficulty has been the lack of both an accepted objective standard for determining Federal salary levels and a consistent procedure

for review and adjustment. The result has been a steady attrition of valued employees, an inability to attract many top quality college graduates and, in the long run, a waste of Federal funds—discouraging the initiative, efficiency, and dedication that accompany recognition and stature, and requiring enormous expenditures each year to recruit and train new replacements for employees who leave the service for reasons of inadequate pay. We can no longer defer the necessary corrective measures or continue the existing lack of standards; and recent studies and measurement techniques now make possible the kind of wholly new approach that commonsense requires.

A FEDERAL PAY REFORM PROGRAM

I am transmitting to the Congress with this message legislation designed to reform the major statutory salary systems of the Federal Government, benefiting all of the 1,640,000 employees throughout the world who are paid under the various Federal statutory pay plans—the Classification Act, the Postal Field Service Compensation Act, the Foreign Service Act, and the medicine and surgery salary system of the Veterans' Administration. Although flat increases for lower paid workers are included as a matter of equity, the essence of this bill's objectives is Federal pay reform, not simply a Federal pay raise. Where pay raises result from the establishment of objective pay standards, they are primarily a reflection of the extent to which Federal salaries have lagged behind the national economy.

This proposal has two principal features:

(1) It establishes a sound, objective, and continuous standard for determining proper salary levels by following the concept of comparability—reasonable comparability with prevailing private enterprise salaries for the same levels of work insofar as this is possible, as determined from painstaking statistical surveys and careful job comparisons; and

(2) It establishes realistic and appropriate salary relationships both within and among the several statutory salary systems and each of their grade levels, by following the principle of equal pay for equal work, with distinctions in pay consistent with distinctions in responsibility and performance.

COMPARABILITY

Adoption of the principle of comparability will assure equity for the Federal employee with his equals throughout the national economy—enable the Government to compete fairly with private firms for qualified personnel—and provide at last a logical and factual standard for setting Federal salaries. Reflected in this single standard are such legitimate private enterprise pay considerations as cost of living, standard of living, and productivity, to the same extent that those factors are resolved into the "going rate" over bargaining tables and other salary determining processes in private enterprise throughout the country.

The principle has a history of wide acceptance. Within the Federal Government, it has been used for 100 years: First applied to Navy yard workers, it is now applied to all Federal workers in trades and crafts, to employees of the Tennessee Valley Authority, and to work under Government contracts covered by the Walsh-Healy and Davis-

Bacon Acts. Many State and local governments, as well as some other national governments (such as Canada and the United Kingdom) already rely on this principle.

It should be noted in this regard that, in marked contrast to the unfavorable situation of salaried employees, the Federal pay practices affecting over 660,000 workers in the skilled trades and crafts have functioned without serious conflict or confusion. Based on prevailing rates, and set on recommendation of wage boards, their pay has been continuously maintained at levels that are fair from the viewpoint of the Government, the taxpayer, and the employee.

I have found no more sensible standard for determining Government salaries. The Advisory Panel on Federal Salary Systems, chaired by Mr. Clarence Randall, in its recent report to me called it "not only equitable but valid and eminently desirable." The application of this principle permits the Government to meet its difficult personnel needs without paying more than is necessary or less than is equitable. It was not feasible in earlier years; but now the recently introduced annual survey of professional, administrative, technical, and clerical salaries conducted by the Bureau of Labor Statistics provides the objective comparative salary data needed for setting Federal pay scales. Occupational rates paid by private employers at a given work level of difficulty, responsibility, and required qualifications can be combined into a single national average private enterprise rate for work equivalent to a Classification Act Grade. These Classification Act rates in turn can be used to establish rates for the corresponding grades in the specialized salary systems of the postal field service, the Foreign Service, and the Veterans' Administration.

INTERNAL ALINEMENT

The internal alinement principle rests on two basic concepts: equal pay for equal work, and distinctions in pay consistent with distinctions in work and performance. Although these concepts are stated in the present Classification Act and are implicit in the Postal Field Service Compensation Act, the regressive and flat percentage pay adjustments of the past 17 years have gradually blotted out much of the meaning in the current pay differentials of all our salary systems.

The pay schedules I am recommending will regularize and generally enlarge the differences in salaries between successive grade levels, recognizing more appropriately the differences in responsibility involved, and providing a more uniform (not less than 10 percent) progression of salary levels between the entry rates of successive grades. This will furnish a greater incentive for employees striving to prepare themselves for higher responsibilities. At the same time, these new schedules will make more meaningful the within-grade promotions for competent performance of duties, and will provide better incentives for those who spend most of their careers within a single grade, by providing wider salary ranges (30 percent except for the top two grades) within each grade, more adequate and more numerous within-grade salary steps, and more flexible use of salary steps to recognize exceptional achievement.

Other provisions aimed at improving flexibility will (1) facilitate the adjustment of salaries to meet critical needs by competing more equally with private industry in areas or in occupations in which a shortage exists; (2) permit the assignment of positions to the upper grades of the Classification Act on the basis of duties and responsibilities, instead of arbitrarily limiting the number of such positions; and (3) create new upper grades to bring within the salary provisions of the Classification Act all those with top administrative responsibilities who are not Cabinet or sub-Cabinet officers or heads of seperate agencies.

The new salary ranges would provide a 30-percent range between the entry rate and the highest rate in the grade for most salaried employees under the Classification Act and a 40-percent range for the lower levels of the postal field service. This is comparable to the private industry ranges, which vary between 30 and 50 percent for each position. The pay ranges in the lower levels of the postal field service are somewhat broader than those in the Classification Act, in recognition of the pattern of long service in such positions in the postal field service and the need for incentives for sustained performance during the entire period of service.

ANNUAL REVIEW

To maintain the comparability principle, and to assure that other features are improved with experience, the bill provides that the President shall submit an annual report to Congress on the relationship of Federal salaries to those reported by the BLS for private enterprise, recommending whatever adjustments in salary schedules, structure, and policy he finds advisable. Where adjustments are indicated, they would be accomplished by revision of the Classification Act pay scales and by linkage of the other statutory systems to the Classification Act. A systematic annual review of this kind is essential to prevent Federal salary schedules from relapsing to their present conditions.

THE UPPER GRADES

Reform of the existing pay schedules necessarily involves immediate adjustment of salaries at almost all grade levels. But both our experience in the attrition of higher salaried men and women and all objective surveys have disclosed that the gap between private industry salaries and Government salaries is the widest at the upper levels. For example: the most recent Bureau of Labor Statistics survey shows that GS–14 and GS–15 employees receive 20 percent less than those employees in private industry in comparable positions. A 1960 survey of 21 large companies by the Civil Service Commission showed even more startling disparities at higher levels. Employees in these companies performing functions comparable to those of a GS–18 received twice as high a salary as their Federal Government employed counterpart.

Yet these are the very levels in the career service in which our need for quality is most acute—in which keen judgment, experience, and competence are at a premium. It is here that we face our most difficult personnel problems. It is at these grades that we employ our

top scientists, doctors, engineers, experts, and managers. Surely if so many State and city governments, as earlier cited, are willing to compete with private industry for this talent, the Federal Government, with its urgent missions to perform, can face up to this problem as well. As a practical matter, the full principle of comparability cannot be applied to the higher salary levels of Government; but I consider adequate adjustment in our top executive and professional positions to be the most vital single element of correction in this entire proposal.

This reform of top career salaries will, of course, boost the pay of many civil servants to a level above that paid to their chiefs in Cabinet, sub-Cabinet and similar positions. I recognize, however, that the salary level of these top executives has been quite properly related in recent years with the salary level of the Congress; and, while both are, in my opinion, inadequate, it is neither customary nor appropriate to either provide such increases during current terms of office or specify congressional increases in a Presidential message. Representatives of the executive branch stand ready, however, to cooperate with the Congress in determining what executive and congressional pay scales would be appropriate following the terms of the present incumbents.

TIMING AND COST

It is important for the Federal Government to adhere to its own precepts with respect to pay adjustments in the economy as a whole. Because of the salary lag that has developed over the past 17 years, full correction of the accrued inequities in 1 year would be unwise, involving the substantial cost of more than $1 billion. This cost would come at a time when heavy budgetary demands have been placed upon us to meet great national security needs, and when the Government is urging private labor and management to exercise self-restraint to avoid the creation of inflationary pressures. Therefore, to reduce the impact in any one year on the affected $10 billion Federal payroll, where each 1-percent increase costs $100 million, the plan that I recommend provides that the full 10 percent be distributed over three annual stages, beginning prospectively on January 1, 1963. The increase scheduled to take effect next year is clearly well within the national average productivity increase (in the private sector) which has taken place since the last Federal pay increase in July of 1960.

The substantial costs necessarily involved in achieving this pay reform make it especially important that these improvements in our pay systems take absolute priority over general percentage or dollar increases of the kind we have seen in the past—increases which make little if any contribution to efficiency or economy in Government

CONCLUSION

As I stated in my budget message, the first requirement for efficiency and economy in Government is highly competent personnel. I believe that enactment of this plan for sound salary administration is fundamental to the maintenance of a standard of excellence in the Federal service. It is my belief that this measure, if enacted, will constitute

the most important revision and reform in Federal personnel legislation in more than a decade. It is the most important proposal to improve the Federal service which has been presented by this administration; and I believe it is essential if we are to achieve and maintain proficiency in the Federal Government. If our civil servants are to fulfill with skill and devotion their obligations to the Nation, the Nation must fulfill its obligations to the career service.

JOHN F. KENNEDY.

THE WHITE HOUSE, *February 20, 1962.*

○

Should we in the Congress tell the President and the country that the affairs of our cities and other urban areas are not important enough for him to consider at the Cabinet level? This seems inconceivable today, with all of our mounting municipal problems of housing, commuter transportation, and public facilities, and with the tremendous impact of Federal programs in this field on the Nation's economy and the fiscal and credit policies of the executive branch. If these problems are sufficiently important for Cabinet level consideration, on what principle of good government do we deny the President's chief assistant on urban and housing matters the Cabinet rank warranted by the functions he administers? On what principle do we deny his agency the rank of a Department?

Now, Mr. President, one of the reasons why the proposal was brought up in this body was to give to Members of the Senate a chance to vote, because had it been brought up in the House first, indications are that it would experience great difficulty over there.

I want to say that what has been done in bringing this particular proposal up today under this unusual procedure has not been meant to demean the chairman of the Committee on Government Operations, a man for whom I have the highest respect, a man under whom I served, whom I admire and have a great deal of affection for; but we do want a vote in the Senate. May I say that the Congress, contrary to what has been said on the floor today, is not being penalized by the action, but the President is, because he has taken the only course open to him to take care of the needs of 70 percent of the people of our country; and by our votes we are going to make our decision known.

I have in my hand a telegram from McAllen, Tex., which reads in part as follows:

Humbly but with all the vigor and force at our command, we solicit your active support for the bill creating a Department of Urban Affairs. As the official spokesmen of the three strongest and best known organizations of the Spanish-speaking citizens in the five southwestern States and in many other parts of our country, we stand 100 percent behind President Kennedy on this issue.

The telegram is signed by Dr. Hector P. Garcia, of Corpus Christi, Tex., founder of the American GI Forum and national president of PASSO; Ralph Estrada, Tucson, Ariz., supreme president of Alianza; Ed Idar, Jr., McAllen, Tex., executive secretary for American GI Forum of Texas and for Texas PASSO.

I ask unanimous consent that the entire telegram be printed in the RECORD at this point.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

McALLEN, TEX., *February 19, 1962.*

Senator MIKE MANSFIELD,
Care of J. Carlos McCormick,
Silver Spring, Md.:

Humbly but with all the vigor and force at our command, we solicit your active support for the bill creating a Department of Urban Affairs. As the official spokesman of the three strongest and best known organizations of the Spanish-speaking citizens in the five Southwestern States and in many other parts of our country, we stand 100 percent behind President Kennedy on this issue.

We deplore excedingly the fact that this issue is endangered by the misconception that it is a civil rights issue. We feel the mere fact that Dr. Weaver may head the new Department is completely immaterial and irrelevant to the real issue which is the need for people in urban areas to have a spokesman in the Cabinet pressing for their needs.

It is noteworthy that 70 percent of the citizens of our country reside in urban areas and that a very similar percent of our Spanish-speaking citizens are similarly situated and stand to benefit immediately and directly by the creation of this Department.

U.S. census and other statistical studies among the Spanish-speaking population in the five Southwestern States indicate the following shocking statistics in regards to housing among this population group:

In Arizona 43.9 percent of our people live in houses that have no inside flush toilet facilities. In California this percent is 14; in Colorado, it is 39.5; in New Mexico, 56.8 percent; and in Texas 58.4.

With respect to housing that is overcrowded and in which there are far more than the national average of 1.5 persons per room, the percent of Spanish-speaking persons in Arizona living in such housing is 28.5; in California, it is 16.3; in Colorado, 30.3; in New Mexico, 31; and in Texas, 39.5 percent.

With respect to housing among the Spanish-speaking population that has no piped running water inside the housing unit, the percent in Arizona is 18.8; in Colorado, it is 18.6; in New Mexico, 32.4; in Texas. 38.4; and only California shows this problem ameliorated to the extent where only 3.8 of our people are affected.

We can cite similar statistics in many other factors with respect to housing and to conditions affecting our people in every major urban area in the country where they are to be found.

The Spanish-speaking persons form the second largest ethnic minority group in the entire country but their living and working conditions are the worst in the country. The Department of Urban Affairs is vital to the development of this group of citizens, particularly in the Southwestern part of the United States. We feel such Department will put all citizens in the urban areas on the same footing as those in rural areas who now have a Cabinet post looking to their welfare. A Department of Urban Affairs can be instrumental in solving housing problems and developing programs of benefit to urban dwellers many of whom, and particularly among the Spanish-speaking, do not now qualify under the various programs affecting housing.

The stand stated herein has been endorsed by proper resolutions and other actions of our respective organizations the last one being a resolution adopted by Passo at its convention in San Antonio recently.

Dr. HECTOR P. GARCIA.
CORPUS CHRISTI, TEX.

Mr. MANSFIELD. Mr. President, I also ask unanimous consent to include at this point in the RECORD a letter addressed to the distinguished senior Senator from Minnesota [Mr. HUMPHREY] from the American Municipal Association.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN MUNICIPAL ASSOCIATION,
February 16, 1962.

Hon. HUBERT H. HUMPHREY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HUMPHREY: On behalf of the American Municipal Association I strongly urge your support of the President's reorganization plan to create a Department of Urban Affairs and Housing. Our association has been on record in favor of such a Department since 1956, and just last August the delegates to our American Municipal Congress reiterated our position.

There is no group which is more jealous of the powers of local governments to deal with local problems than the mayors and other municipal officials of America. If we thought this Department would in any manner lessen the vitality and independence of local government in America, we would be in the forefront of the fight against it. We are also convinced that it will not in any way alter our relationships with our own State governments. It cannot, because we are creatures of our States, and can only act with the acquiescence of the States.

The new Department will not create any new programs or appropriate any additional funds for urban areas. However, as you know, under legislation already passed by Congress our Federal Government and municipal governments increasingly and irrevocably are involved with one another in the field of urban development. We are convinced that these existing relationships will be more soundly administered under a Department of Urban Affairs and Housing, headed by an official of Cabinet rank.

We believe the question before you is not a partisan one. If it were, our organization, which represents municipal officials of both parties, could not support it. We do support it, and we urge your support.

Sincerely yours,

GORDON S. CLINTON,
President, Mayor of Seattle.

Mr. COTTON. Mr. President, before the majority leader concludes, will he yield for three questions?

Mr. MANSFIELD. Yes, I yield.

Mr. COTTON. If the committee is not discharged, is there any danger that the President's plan will go into effect without some of us who are against it having a chance to vote against it?

Mr. MANSFIELD. If the committee is not discharged, the proposal will remain in the Committee on Government Operations. I am quite certain that, if that is done, the distinguished chairman of the committee, the Senator from Arkansas, will do what he can to make a report to the Senate on the basis of the hearings held by his committee. It is my further understanding that if a vote were held in the committee, it might be favorable on the question of reporting the President's reorganization proposal. It is my understanding—I do not know, but it is my considered judgment—that if the Senate does not vote on this measure today, so far as the other body is concerned, they will vote, they may well kill the measure, and Senators will not have a chance to make their stand known.

Mr. COTTON. But if they do not kill the measure, some of us who are opposed to it will have a chance to record our stand against it later?

Mr. MANSFIELD. Yes. The outlook for House action is not too good. So far as we are concerned, in my opinion this

is the only chance we will have to vote on the creation of a Department of Urban Affairs. We can use all the alibis, we can cite all the technicalities, but this is the test; if it carries it will be taken out of the hands of the committee and brought before the Senate for 10 hours of deliberation and debate. We will then have another chance, on the merits of the proposal, to decide whether we are in favor of the creation of such a department or not. The choice is that of the Senate.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. HOLLAND. I understood the Senator to say that unless this vote is taken affirmatively, Senators will have no chance to vote on the setting up of an Urban Affairs Department. What would prevent the majority leader at any time from making a motion to call up the bill now on the calendar, S. 1633, which the majority leader has said is identical to the proposal now pending?

Mr. MANSFIELD. Action by the House Rules Committee, and perhaps action by the House itself, if it acted on the proposal.

Mr. HOLLAND. Would that prevent the Senate from taking action?

Mr. MANSFIELD. No, but it would be a futile gesture, and the majority leader does not believe in futile gestures any more than the Senator from Florida does.

Mr. HOLLAND. The Senator has stated he believes this proposal is going to be defeated in the other body. Therefore, would it not be an exercise in futility to act on it and pass it here in this body?

Mr. MANSFIELD. No, because if we have a chance to pass upon the issue here, we would make our position known, and perhaps the other body would be influenced thereby. At the moment I would say action does not look too favorable in the other body, but who knows, if we are successful here, what the effect might be there? Nobody can foretell, but I think we ought to act in accordance with our responsibilities and do something which would be of benefit to the urban areas of our country.

Mr. HOLLAND. I thank the Senator.

Mr. MANSFIELD. Mr. President, I yield back the remainder of my time.

The VICE PRESIDENT. The Senator from Montana yields back his time.

The Senator from Illinois [Mr. DIRKSEN] has 1 minute remaining.

Mr. DIRKSEN. Mr. President, there is only one question before the Senate. Are we to preserve the integrity of the Senate committee system under the rules?

I might amplify what the distinguished Senator from Florida said. When the vote is taken—and I trust the committee will not be discharged—the majority leader can make a motion to consider the bill for reorganization, which is on the calendar, and along with that is the fact that it will be amendable by the Senate, unlike the reorganization plan, which cannot be amended. We can work our will on it, and we shall have a full and fair opportunity to be heard on this issue.

I yield back the remainder of my time.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. McCLELLAN. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

The question is on agreeing to the motion of the Senator from West Virginia [Mr. RANDOLPH] to discharge the Committee on Government Operations from further consideration of Senate Resolution 288, proposing Reorganization Plan No. 1 of 1962. Those in favor of discharging the committee will vote "yea"; those opposing discharging the committee will vote "nay."

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 42, nays 58, as follows:

[No. 20 Leg.]

YEAS—42

Bartlett	Humphrey	Monroney
Burdick	Jackson	Morse
Byrd, W. Va.	Javits	Moss
Carroll	Keating	Muskie
Case, N.J.	Kefauver	Neuberger
Church	Kerr	Pastore
Clark	Long, Mo.	Pell
Douglas	Long, Hawaii	Proxmire
Engle	Magnuson	Scott
Gore	Mansfield	Smith, Mass.
Gruening	McCarthy	Symington
Hart	McGee	Williams, N.J.
Hartke	McNamara	Yarborough
Hickey	Metcalf	Young, Ohio

NAYS—58

Aiken	Dworshak	Mundt
Allott	Eastland	Murphy
Anderson	Ellender	Pearson
Beall	Ervin	Prouty
Bennett	Fong	Randolph
Bible	Fulbright	Robertson
Boggs	Goldwater	Russell
Bush	Hayden	Saltonstall
Butler	Hickenlooper	Smathers
Byrd, Va.	Hill	Smith, Maine
Cannon	Holland	Sparkman
Capehart	Hruska	Stennis
Carlson	Johnston	Talmadge
Case, S. Dak.	Jordan	Thurmond
Chavez	Kuchel	Tower
Cooper	Lausche	Wiley
Cotton	Long, La.	Williams, Del.
Curtis	McClellan	Young, N. Dak.
Dirksen	Miller	
Dodd	Morton	

So Mr. RANDOLPH'S motion was rejected.

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McCLELLAN. As I understand the rule, a motion to reconsider the vote is not in order.

The VICE PRESIDENT. The Senator is correct.

Mr. MANSFIELD. Mr. President, while I am extremely disappointed at the outcome of the vote which has just been taken, I believe it should be brought to the attention of the Senate that the vote was 58 to 42, which indicates that all 100 Senators are present, which is an event in itself.

Mr. DIRKSEN. There are two events today; a 100-percent attendance by the Senate and the orbiting of the earth by Colonel Glenn.

LIMITATION OF TIME DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a morning hour until 2 o'clock, and at 2 o'clock, the unfinished business (H.R. 5143) be laid before the Senate for consideration.

The VICE PRESIDENT. Without objection, it is so ordered.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Subcommittee on Irrigation of the Committee on Interior and Insular Affairs was authorized to meet during the session of the Senate today.

MAJOR STATUTORY SALARY SYSTEMS OF THE FEDERAL GOVERNMENT—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 344)

Mr. MANSFIELD. Mr. President, today the President of the United States sent a message to the Congress relating to salary systems of the Federal Government. I ask unanimous consent that the message be referred to the appropriate committee, and that the message be printed in the RECORD, without reading.

The VICE PRESIDENT. Without objection, it is so ordered.

The message was referred to the Committee on Post Office and Civil Service, as follows:

To the Congress of the United States:

The success of this Government, and thus the success of our Nation, depends in the last analysis upon the quality of our career services. The legislation enacted by the Congress, as well as the decisions made by me and the department and agency heads, must all be implemented by the career men and women in the Federal service. In foreign affairs, national defense, science and technology, and a host of other fields, they face unprecedented problems of unprecedented importance and perplexity. We are all dependent on their sense of loyalty and responsibility as well as their competence and energy; and just as they have responsibilities to the Government, so does the Government have obligations to them.

We properly establish high standards for our public servants. We investigate their character and associations before considering them for employment. We hire them only after they have passed difficult examinations. We require them to abide by rigorous standards of conduct and ethics. We demand consistently high performance from them on the job. Accordingly, the salaries for the

services they perform should be fixed under well-understood and objective standards, high enough to attract and retain competent personnel, sufficiently flexible to motivate initiative and industry, and comparable with the salaries received by their counterparts in private life. To pay more than this is to be unfair to the taxpayers—to pay less is to degrade the public service and endanger our national security.

Unfortunately these basic standards for Federal salary systems are not met today. Too many Federal employees are underpaid in proportion to their responsibilities. Too many receive smaller salaries than are paid by many private industries, and even by many State and local governments, for less responsible work. Too many top-grade or supervisory Federal employees are paid little more, and sometimes even less, than their subordinates. Too many key career employees are unable to afford continued public service.

Existing statutory Federal pay structures cannot be justified as sound and equitable, either internally or externally. Internally, salaries between various levels of work should be enough to provide an incentive to undertake more responsible duties and to represent, dollar-wise, fair differences in work requirements. Over the years, piecemeal statutory revisions—with primary emphasis on bringing the lower pay levels abreast of changes in the cost of living—have severely compressed the spread between the top and bottom salaries. The 8.8-to-1 and 12-to-1 salary ratios between the highest and lowest Classification Act and Postal Field Service grades existing prior to World War II have shrunk to ratios of less than 6 to 1, making it impossible to offer pay increases consistent with the added responsibilities of grade-to-grade promotion, or to offer an appropriate range of incentives within a particular grade. There is little consistency or logic in the salary differences between existing grade levels. And employees paid under a wage board system, with wages based on the prevailing rates in industry, are frequently paid more than their supervisors whose salaries are fixed by the more rigid and less logical provisions of the Classification Act.

Externally, except for employees paid under wage board systems, Federal salaries generally do not compare favorably and cannot compete successfully with private industry. Every objective survey has demonstrated that salaried Government employees at almost every work level receive less compensation, on a national average basis, than private employees performing similar work—and the greater the level of difficulty and responsibility the greater the gap between Federal and private pay. A Federal employee beginning a professional or administrative career can look forward to a maximum salary increase of no more than four and one quarter times his entrance salary, whereas his counterpart in private industry can look forward to an increase of six or seven times his beginning salary. Moreover, the Federal employee's top salary, if he stays to reach it, will be less than half that of his private enterprise counterpart.

Even State and local governments have passed the Federal Government. The head of a Federal Cabinet department receives less than the head of a New York State department—less than the average salary paid to the superintendents of schools in cities over 500,000 population. The highest paid Federal employees under the Classification Act would obtain higher salaries if they were working in the State career service in Georgia, Ohio, New York, Pennsylvania, Illinois, Michigan, or California, for example—or for the cities of St. Louis, Denver, Detroit, San Francisco, Los Angeles, and Philadelphia.

The difficulty has been the lack of both an accepted objective standard for determining Federal salary levels and a consistent procedure for review and adjustment. The result has been a steady attrition of valued employees, an inability to attract many top quality college graduates and, in the long run, a waste of Federal funds—discouraging the initiative, efficiency, and dedication that accompany recognition and stature, and requiring enormous expenditures each year to recruit and train new replacements for employees who leave the service for reasons of inadequate pay. We can no longer defer the necessary corrective measures or continue the existing lack of standards; and recent studies and measurement techniques now make possible the kind of wholly new approach that commonsense requires.

A FEDERAL PAY REFORM PROGRAM

I am transmitting to the Congress with this message legislation designed to reform the major statutory salary systems of the Federal Government, benefiting all of the 1,640,000 employees throughout the world who are paid under the various Federal statutory pay plans—the Classification Act, the Postal Field Service Compensation Act, the Foreign Service Act, and the medicine and surgery salary system of the Veterans' Administration. Although flat increases for lower paid workers are included as a matter of equity, the essence of this bill's objectives is Federal pay reform, not simply a Federal pay raise. Where pay raises result from the establishment of objective pay standards, they are primarily a reflection of the extent to which Federal salaries have lagged behind the national economy.

This proposal has two principal features:

1. It establishes a sound, objective, and continuous standard for determining proper salary levels by following the concept of comparability—reasonable comparability with prevailing private enterprise salaries for the same levels of work insofar as this is possible, as determined from painstaking statistical surveys and careful job comparisons; and

2. It establishes realistic and appropriate salary relationships both within and among the several statutory salary systems and each of their grade levels, by following the principle of equal pay for equal work, with distinctions in pay consistent with distinctions in responsibility and performance.

COMPARABILITY

Adoption of the principle of comparability will assure equity for the Federal employee with his equals throughout the national economy—enable the Government to compete fairly with private firms for qualified personnel—and provide at last a logical and factual standard for setting Federal salaries. Reflected in this single standard are such legitimate private enterprise pay considerations as cost of living, standard of living, and productivity, to the same extent that those factors are resolved into the going rate over bargaining tables and other salary determining processes in private enterprise throughout the country.

The principle has a history of wide acceptance. Within the Federal Government, it has been used for 100 years: first applied to Navy yard workers, it is now applied to all Federal workers in trades and crafts, to employees of the Tennessee Valley Authority, and to work under Government contracts covered by the Walsh-Healey and Davis-Bacon Acts. Many State and local governments, as well as some other national governments (such as Canada and the United Kingdom) already rely on this principle.

It should be noted in this regard that, in marked contrast to the unfavorable situation of salaried employees, the Federal pay practices affecting over 660,000 workers in the skilled trades and crafts have functioned without serious conflict or confusion. Based on prevailing rates, and set on recommendation of wage boards, their pay has been continuously maintained at levels that are fair from the viewpoint of the Government, the taxpayer and the employee.

I have found no more sensible standard for determining Government salaries. The Advisory Panel on Federal Salary Systems, chaired by Mr. Clarence Randall, in its recent report to me called it not only equitable but valid and eminently desirable. The application of this principle permits the Government to meet its difficult personnel needs without paying more than is necessary or less than is equitable. It was not feasible in earlier years; but now the recently introduced annual survey of professional, administrative, technical and clerical salaries conducted by the Bureau of Labor Statistics provides the objective comparative salary data needed for setting Federal pay scales. Occupational rates paid by private employers at a given work level of difficulty, responsibility and required qualifications can be combined into a single national average private enterprise rate for work equivalent to a Classification Act grade. These Classification Act rates in turn can be used to establish rates for the corresponding grades in the specialized salary systems of the Postal Field Service, the Foreign Service and the Veterans' Administration.

INTERNAL ALINEMENT

The internal alinement principle rests on two basic concepts: equal pay for equal work, and distinctions in pay consistent with distinctions in work and performance. Although these concepts are stated in the present Classification Act and are implicit in the Postal Field

Service Compensation Act, the regressive and flat percentage pay adjustments of the past 17 years have gradually blotted out much of the meaning in the current pay differentials of all our salary systems.

The pay schedules I am recommending will regularize and generally enlarge the differences in salaries between successive grade levels, recognizing more appropriately the differences in responsibility involved, and providing a more uniform (not less than 10 percent) progression of salary levels between the entry rates of successive grades. This will furnish a greater incentive for employees striving to prepare themselves for higher responsibilities. At the same time, these new schedules will make more meaningful the within-grade promotions for competent performance of duties, and will provide better incentives for those who spend most of their careers within a single grade, by providing wider salary ranges (30 percent except for the top two grades) within each grade, more adequate and more numerous within-grade salary steps, and more flexible use of salary steps to recognize exceptional achievement.

Other provisions aimed at improving flexibility will (1) facilitate the adjustment of salaries to meet critical needs by competing more equally with private industry in areas or in occupations in which a shortage exists; (2) permit the assignment of positions to the upper grades of the Classification Act on the basis of duties and responsibilities, instead of arbitrarily limiting the number of such positions; and (3) create new upper grades to bring within the salary provisions of the Classification Act all those with top administrative responsibilities who are not Cabinet or sub-Cabinet officers or heads of separate agencies.

The new salary ranges would provide a 30-percent range between the entry rate and the highest rate in the grade for most salaried employees under the Classification Act and a 40-percent range for the lower levels of the Postal Field Service. This is comparable to the private industry ranges, which vary between 30 percent and 50 percent for each position. The pay ranges in the lower levels of the Postal Field Service are somewhat broader than those in the Classification Act, in recognition of the pattern of long service in such positions in the Postal Field Service and the need for incentives for sustained performance during the entire period of service.

ANNUAL REVIEW

To maintain the comparability principle, and to assure that other features are improved with experience, the bill provides that the President shall submit an annual report to Congress on the relationship of Federal salaries to those reported by the BLS for private enterprise, recommending whatever adjustments in salary schedules, structure, and policy he finds advisable. Where adjustments are indicated, they would be accomplished by revision of the Classification Act pay scales and by linkage of the other statutory systems to the Classification Act. A systematic annual review of this kind is essential to prevent Federal salary schedules from relapsing to their present conditions.

THE UPPER GRADES

Reform of the existing pay schedules necessarily involves immediate adjustment of salaries at almost all grade levels. But both our experience in the attrition of higher salaried men and women and all objective surveys have disclosed that the gap between private industry salaries and Government salaries is the widest at the upper levels. For example: The most recent Bureau of Labor Statistics survey shows that GS–14 and GS–15 employees receive 20 percent less than those employees in private industry in comparable positions. A 1960 survey of 21 large companies by the Civil Service Commission showed even more startling disparities at higher levels. Employees in these companies performing functions comparable to those of a GS–18 received twice as high a salary as their Federal Government employed counterpart.

Yet these are the very levels in the career service in which our need for quality is most acute—in which keen judgment, experience, and competence are at a premium. It is here that we face our most difficult personnel problems. It is at these grades that we employ our top scientists, doctors, engineers, experts, and managers. Surely if so many State and city governments, as earlier cited, are willing to compete with private industry for this talent, the Federal Government, with its urgent missions to perform, can face up to this problem as well. As a practical matter, the full principle of comparability cannot be applied to the higher salary levels of government; but I consider adequate adjustment in our top executive and professional positions to be the most vital single element of correction in this entire proposal.

This reform of top career salaries will, of course, boost the pay of many civil servants to a level above that paid to their chiefs in Cabinet, sub-Cabinet and similar positions. I recognize, however, that the salary level of these top executives has been quite properly related in recent years with the salary level of the Congress; and, while both are, in my opinion, inadequate, it is neither customary nor appropriate to either provide such increases during current terms of office or specify congressional increases in a Presidential message. Representatives of the executive branch stand ready, however, to cooperate with the Congress in determining what executive and congressional pay scales would be appropriate following the terms of the present incumbents.

TIMING AND COST

It is important for the Federal Government to adhere to its own precepts with respect to pay adjustments in the economy as a whole. Because of the salary lag that has developed over the past 17 years, full correction of the accrued inequities in 1 year would be unwise, involving the substantial cost of more than $1 billion. This cost would come at a time when heavy budgetary demands have been placed upon us to meet great national security needs, and when the Government is urging private labor and management to exercise self-restraint to avoid the creation of inflationary pressures. Therefore, to reduce the impact in any one year on the affected $10 billion Federal payroll, where each 1-percent increase costs $100 million, the plan that I recommend provides that the full 10 percent be distributed over three annual stages, beginning prospectively on January 1, 1963. The increase scheduled to take effect next year is clearly well within the national average productivity increase (in the private sector) which has taken place since the last Federal pay increase in July of 1960.

The substantial costs necessarily involved in achieving this pay reform make it especially important that these improvements in our pay systems take absolute priority over general percentage or dollar increases of the kind we have seen in the past—increases which make little if any contribution to efficiency or economy in Government.

CONCLUSION

As I stated in my budget message, the first requirement for efficiency and economy in Government is highly competent personnel. I believe that enactment of this plan for sound salary administration is fundamental to the maintenance of a standard of excellence in the Federal service. It is my belief that this measure, if enacted, will constitute the most important revision and reform in Federal personnel legislation in more than a decade. It is the most important proposal to improve the Federal service which has been presented by this administration; and I believe it is essential if we are to achieve and maintain proficiency in the Federal Government. If our civil servants are to fulfill with skill and devotion their obligations to the Nation, the Nation must fulfill its obligations to the career service.

JOHN F. KENNEDY.

THE WHITE HOUSE, *February 20, 1962.*

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

LOAN OF SUBMARINE AND DESTROYERS TO GREECE AND KOREA

A letter from the Deputy Secretary of Defense, reporting, pursuant to law, on the loan of one submarine and two destroyers to the Government of Greece, and one destroyer and one destroyer escort to the Government of Korea; to the Committee on Armed Services.

REPORT ON PRIME CONTRACT AWARDS TO SMALL AND OTHER BUSINESS FIRMS

A letter from the Assistant Secretary of Defense, Installations, and Logistics, transmitting, pursuant to law, a report on Army, Navy, and Air Force prime contract awards to small and other business firms, for the period July–December 1961 (with an accompanying report); to the Committee on Banking and Currency.

REPEAL OF CERTAIN LEGISLATION RELATING TO THE PURCHASE OF SILVER

A letter from the Secretary of the Treasury, transmitting a draft of proposed legis-

percent reduction was required to be diverted from crop production as a condition of price support.

Section 124(h) of the Agricultural Enabling Amendments Act of 1961 provides that underplanting of the allotment resulting from the 10 percent diversion should not be the basis for withdrawal of penalty wheat. While this provision causes no harm, it is not correct to refer to the 10-percent diversion as an underplanting of the allotment, since the 10 percent represents a reduction in, rather than an underplanting of, the allotment.

Similarly, section 124(h) provides that the normal production of the diverted acres shall be deemed actual production for the purpose of determining whether the actual production is less than the normal production of the allotment. Since the 10 percent diversion represents no diversion from the acreage allotment, it should not be deemed as having produced any quantity of wheat for this purpose. This provision of the 1961 act reduces the amount of penalty wheat which may be withdrawn from storage by farms having crop failures even though they comply with their allotments. For instance, a farm which otherwise would have received a 100-acre allotment receives only 90 acres by reason of the 10-percent reduction. Assuming a 20 bushel per acre normal production, the normal production of the acreage allotment is 1,800 bushels. Ordinarily, if the actual production was less than 1,800 bushels, the difference between 1,800 bushels and the actual production could be withdrawn from penalty wheat of a previous crop. However, since the 1961 act requires the normal production of the 10-percent diversion to be counted as actual production (200 bushels), penalty wheat can be withdrawn only to the extent that production falls below 1,600 bushels. This was not intended, and the bill would correct the errors described herein. Under the bill the 10-percent diversion would not be described as an underplanting of the allotment, nor would the normal production of the 10-percent diversion be counted as actual production.

The Department of Agriculture favors enactment and points out in its report that the present requirement creates an inequity between producers who participate in the diversion program and those who do not. Those who do not divert the 10-percent reduction are not required to count its normal production as actually produced for the purpose of determining the amount of penalty wheat from a previous crop which can be withdrawn without penalty. If the bill is enacted, the same rule will apply to producers who do participate in the diversion program.

APPOINTMENTS BY THE VICE PRESIDENT TO THE PARLIAMENTARY CONFERENCE WITH CANADA

The VICE PRESIDENT. The Chair appoints to attend the Parliamentary Conference with Canada the following Senators: The Senator from Florida [Mr. HOLLAND], the Senator from Louisiana [Mr. LONG], the Senator from New Jersey [Mr. WILLIAMS], the Senator from Connecticut [Mr. DODD], the Senator from Michigan [Mr. MCNAMARA], the Senator from Missouri [Mr. SYMINGTON], the Senator from Oregon [Mrs. NEUBERGER], the Senator from Vermont [Mr. AIKEN], the Senator from Idaho [Mr. DWORSHAK], the Senator from South Dakota [Mr. CASE], the Senator from Nebraska [Mr. HRUSKA], and the Senator from Delaware [Mr. BOGGS].

Mr. SMATHERS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SMATHERS in the chair). Without objection, it is so ordered.

ADJOURNMENT

Mr. MANSFIELD. Mr. President, in view of the circumstances attendant upon the flight of Lt. Col. John H. Glenn, Jr., of the U.S. Marine Corps in his orbit around the world, and due to the fact that we have disposed of a fairly good amount of legislation this afternoon, I move that the Senate stand in adjournment until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 2 o'clock and 30 minutes p.m.), the Senate adjourned until tomorrow, Wednesday, February 21, 1962, at 12 o'clock meridian.

House of Representatives

TUESDAY, FEBRUARY 20, 1962

The House met at 12 o'clock noon.

The chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Philippians 3: 14: *I press toward the mark for the prize of the high calling of God in Christ Jesus.*

Eternal God, we humbly confess that daily we are looking out upon a weary and bewildered humanity for whom the hard facts and experiences of life seem to be without sequence and significance.

Grant that we may be blessed with the spirit of sympathy and understanding and seek to minister to the deep longings and needs of mankind with the grace of generosity and good will.

Inspire us with a vision of the grandeur of a life that gives itself in devotion to Thee and puts itself on the side of faith and strives through discipline and effort to become morally and spiritually fit to attain unto the high calling of God in Christ Jesus, our Lord.

O Thou who art here and everywhere, we are sending our thoughts of love and good cheer to our fellow citizen who on this day is courageously carrying out a great mission for our beloved country and all for Thy glory.

Hear us in the name of the Christ our Lord. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries, who also informed the House that on the following dates the President approved and signed a joint resolution and bills of the House of the following titles:

On February 13, 1962:

H.J. Res. 612. Joint resolution making supplemental appropriations for the Veterans' Administration for the fiscal year ending June 30, 1962, and for other purposes.

On February 16, 1962:

H.R. 2147. An act for the relief of Kenneth Stultz;

H.R. 2973. An act for the relief of Anthony Robert Lowry (Antonio Piantadosi);

H.R. 3710. An act for the relief of Giles L. Matthews;

H.R. 4194. An act for the relief of Mrs. Ann W. Edwards;

H.R. 4211. An act for the relief of Alessandro Bottero;

H.R. 4280. An act for the relief of Dimitri Elias Sartan;

H.R. 4381. An act for the relief of Walter H. Hanson;

H.R. 4876. An act for the relief of Mary C. Atkinson;

H.R. 5181. An act to amend Private Law 85-699;

H.R. 5324. An act for the relief of Dr. Serafin T. Ortiz;

H.R. 6025. An act to confer jurisdiction on the U.S. Court of Claims to hear, determine, and render judgment on the claim of George Edward Barnhart against the United States;

H.R. 6120. An act for the relief of Francis Ainsworth;

H.R. 6226. An act for the relief of Arlin David English;

H.R. 6243. An act extending to Guam the power to enter into certain interstate compacts relating to the enforcement of the criminal laws and policies of the States;

H.R. 6644. An act for the relief of Julius Benikosky;

H.R. 6938. An act for the relief of Dr. Robert E. Hiller;

H.R. 7473. An act for the relief of Albert R. Serpa;

H.R. 7740. An act for the relief of Mrs. Sharon Lee Harden;

H.R. 8325. An act for the relief of Harrison Thomas Harper; and

H.R. 8779. An act for the relief of George B. Olmstead.

On February 19, 1962:

H.R. 2470. An act to provide for the establishment of the Lincoln Boyhood National Memorial in the State of Indiana, and for other purposes.

FEDERAL PAY REFORM MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 344)

The SPEAKER laid before the House the following message from the President of the United States, which was read, referred to the Committee on Post Office and Civil Service, and ordered to be printed:

To the Congress of the United States:

The success of this Government, and thus the success of our Nation, depend in the last analysis upon the quality of our career services. The legislation enacted by the Congress, as well as the decisions made by me and the Department and Agency heads, must all be implemented by the career men and women in the Federal service. In foreign affairs, national defense, science and technology, and a host of other fields, they face unprecedented problems of unprecedented importance and perplexity. We are all dependent on their sense of loyalty and responsibility as well as their competence and energy; and just as they have responsibilities to the Government, so does the Government have obligations to them.

We properly establish high standards for our public servants. We investigate their character and associations before considering them for employment. We hire them only after they have passed difficult examinations. We require them to abide by rigorous standards of conduct and ethics. We demand consistently high performance from them on the job. Accordingly, the salaries for the services they perform should be fixed under well-understood and objective standards, high enough to attract and retain competent personnel, sufficiently flexible to motivate initiative and industry, and comparable with the salaries received by their counterparts in private life. To pay more than this is to be unfair to the taxpayers—to pay less is to degrade the public service and endanger our national security.

Unfortunately these basic standards for Federal salary systems are not met today. Too many Federal employees are underpaid in proportion to their responsibilities. Too many receive smaller salaries than are paid by many private industries, and even by many States and local governments, for less responsible work. Too many top-grade or supervisory Federal employees are paid little more, and sometimes even less, than their subordinates. Too many key career employees are unable to afford continued public service.

Existing statutory Federal pay structures cannot be justified as sound and equitable, either internally or externally. Internally, salaries between various levels of work should be enough to provide an incentive to undertake more responsible duties and to represent, dollarwise, fair differences in work requirements. Over the years, piecemeal statutory revisions—with primary emphasis on bringing the lower pay levels abreast of changes in the cost of living—have severely compressed the spread between the top and bottom salaries. The 8.8 to 1 and 12 to 1 salary ratios between the highest and lowest Classification Act and postal field service grades existing prior to World War II have shrunk to ratios of less than 6 to 1, making it impossible to offer pay increases consistent with the added responsibilities of grade-to-grade promotion, or to offer an appropriate range of incentives within a particular grade. There is little consistency or logic in the salary differences between existing grade levels. And employees paid under a wage board system, with wages based on the prevailing rates in industry, are frequently paid more than their supervisors whose salaries are fixed by the more rigid and less logical provisions of the Classification Act.

Externally, except for employees paid under wage board systems, Federal salaries generally do not compare favorably and cannot compete successfully with private industry. Every objective survey has demonstrated that salaried Government employees at almost every work level receive less compensation, on a national average basis, than private employees performing similar work—and the greater the level of difficulty and

responsibility, the greater the gap between Federal and private pay. A Federal employee beginning a professional or administrative career can look forward to a maximum salary increase of no more than four and one quarter times his entrance salary, whereas his counterpart in private industry can look forward to an increase of six or seven times his beginning salary. Moreover, the Federal employee's top salary, if he stays to reach it, will be less than half that of his private enterprise counterpart.

Even State and local governments have passed the Federal Government. The head of a Federal Cabinet department receives less than the head of a New York State department—less than the average salary paid to the superintendents of schools in cities over 500,000 population. The highest paid Federal employees under the Classification Act would obtain higher salaries if they were working in the State career service in Georgia, Ohio, New York, Pennsylvania, Illinois, Michigan, or California, for example—or for the cities of St. Louis, Denver, Detroit, San Francisco, Los Angeles, and Philadelphia.

The difficulty has been the lack of both an accepted objective standard for determining Federal salary levels and a consistent procedure for review and adjustment. The result has been a steady attrition of valued employees, an inability to attract many top quality college graduates and, in the long run, a waste of Federal funds—discouraging the initiative, efficiency, and dedication that accompany recognition and stature, and requiring enormous expenditures each year to recruit and train new replacements for employees who leave the service for reasons of inadequate pay. We can no longer defer the necessary corrective measures or continue the existing lack of standards; and recent studies and measurement techniques now make possible the kind of wholly new approach that commonsense requires.

A FEDERAL PAY REFORM PROGRAM

I am transmitting to the Congress with this message legislation designed to reform the major statutory salary systems of the Federal Government, benefiting all of the 1,640,000 employees throughout the world who are paid under the various Federal statutory pay plans—the Classification Act, the Postal Field Service Compensation Act, the Foreign Service Act, and the medicine and surgery salary system of the Veterans' Administration. Although flat increases for lower-paid workers are included as a matter of equity, the essence of this bill's objectives is Federal pay reform, not simply a Federal pay raise. Where pay raises result from the establishment of objective pay standards, they are primarily a reflection of the extent to which Federal salaries have lagged behind the national economy.

This proposal has two principal features:

(1) It establishes a sound, objective, and continuous standard for determining proper salary levels by following the concept of comparability—reasonable comparability with prevailing private enterprise salaries for the same levels of work insofar as this is possible, as determined from painstaking statistical surveys and careful job comparisons; and

(2) It establishes realistic and appropriate salary relationships both within and among the several statutory salary systems and each of their grade levels, by following the principle of equal pay for equal work, with distinctions in pay consistent with distinctions in responsibility and performance.

COMPARABILITY

Adoption of the principle of comparability will assure equity for the Federal employee with his equals throughout the national economy—enable the Government to compete fairly with private firms for qualified personnel—and provide at last a logical and factual standard for setting Federal salaries. Reflected in this single standard are such legitimate private enterprise pay considerations as cost of living, standard of living, and productivity, to the same extent that those factors are resolved into the "going rate" over bargaining tables and other salary determining processes in private enterprise throughout the country.

The principle has a history of wide acceptance. Within the Federal Government, it has been used for 100 years: first applied to navy yard workers, it is now applied to all Federal workers in trades and crafts, to employees of the Tennessee Valley Authority, and to work under Government contracts covered by the Walsh-Healey and Davis-Bacon Acts. Many State and local governments, as well as some other national governments (such as Canada and the United Kingdom) already rely on this principle.

It should be noted in this regard that, in marked contrast to the unfavorable situation of salaried employees, the Federal pay practices affecting over 660,000 workers in the skilled trades and crafts have functioned without serious conflict or confusion. Based on prevailing rates, and set on recommendation of wage boards, their pay has been continuously maintained at levels that are fair from the viewpoint of the Government, the taxpayer, and the employee.

I have found no more sensible standard for determining Government salaries. The Advisory Panel on Federal Salary Systems, chaired by Mr. Clarence Randall, in its recent report to me called it not only equitable but valid and eminently desirable. The application of this principle permits the Government to meet its difficult personnel needs without paying more than is necessary or less than is equitable. It was not feasible in earlier years; but now the recently introduced annual survey of professional, administrative, technical, and clerical salaries conducted by the Bureau of Labor Statistics provides the objective comparative salary data needed for setting Federal pay scales. Occupational rates paid by private employers at a given work level of difficulty, responsibility, and required qualifications can be combined into a single national average private enterprise rate for work equivalent to a Classification Act grade. These Classification Act rates in turn can be used to establish rates for the corresponding grades in the specialized salary systems of the Postal Field Service, the Foreign Service, and the Veterans' Administration.

INTERNAL ALINEMENT

The internal alinement principle rests on two basic concepts: equal pay for equal work, and distinctions in pay consistent with distinctions in work and performance. Although these concepts are stated in the present Classification Act and are implicit in the Postal Field Service Compensation Act, the regressive and flat percentage pay adjustments of the past 17 years have gradually blotted out much of the meaning in the current pay differentials of all our salary systems.

The pay schedules I am recommending will regularize and generally enlarge the differences in salaries between successive grade levels, recognizing more appropriately the differences in responsibility involved, and providing a more uniform (not less than 10 percent) progression of salary levels between the entry rates of successive grades. This will furnish a greater incentive for employees striving to prepare themselves for higher responsibilities. At the same time, these new schedules will make more meaningful the within-grade promotions for competent performance of duties, and will provide better incentives for those who spend most of their careers within a single grade by providing wider salary ranges (30 percent except for the top two grades) within each grade, more adequate and more numerous within-grade salary steps, and more flexible use of salary steps to recognize exceptional achievement.

Other provisions aimed at improving flexibility will (1) facilitate the adjustment of salaries to meet critical needs by competing more equally with private industry in areas or in occupations in which a shortage exists; (2) permit the assignment of positions to the upper grades of the Classification Act on the basis of duties and responsibilities, instead of arbitrarily limiting the number of such positions; and (3) create new upper grades to bring within the salary provisions of the Classification Act all those with top administrative responsibilities who are not Cabinet or sub-Cabinet officers or heads of separate agencies.

The new salary ranges would provide a 30-percent range between the entry rate and the highest rate in the grade for most salaried employees under the Classification Act and a 40-percent range for the lower levels of the postal field service. This is comparable to the private industry ranges, which vary between 30 and 50 percent for each position. The pay ranges in the lower levels of the postal field service are somewhat broader than those in the Classification Act, in recognition of the pattern of long service in such positions in the postal field service and the need for incentives for sustained performance during the entire period of service.

ANNUAL REVIEW

To maintain the comparability principle, and to assure that other features are improved with experience, the bill provides that the President shall submit an annual report to Congress on the re-

lationship of Federal salaries to those reported by the BLS for private enterprise, recommending whatever adjustments in salary schedules, structure, and policy he finds advisable. Where adjustments are indicated, they would be accomplished by revision of the Classification Act pay scales and by linkage of the other statutory systems to the Classification Act. A systematic annual review of this kind is essential to prevent Federal salary schedules from relapsing to their present conditions.

THE UPPER GRADES

Reform of the existing pay schedules necessarily involves immediate adjustment of salaries at almost all grade levels. But both our experience in the attrition of higher salaried men and women and all objective surveys have disclosed that the gap between private industry salaries and Government salaries is the widest at the upper levels. For example: the most recent Bureau of Labor Statistics survey shows that GS–14 and GS–15 employees receive 20 percent less than those employees in private industry in comparable positions. A 1960 survey of 21 large companies by the Civil Service Commission showed even more startling disparities at higher levels. Employees in these companies performing functions comparable to those of a GS–18 received twice as high a salary as their Federal Government employed counterpart.

Yet these are the very levels in the career service in which our need for quality is most acute—in which keen judgment, experience, and competence are at a premium. It is here that we face our most difficult personnel problems. It is at these grades that we employ our top scientists, doctors, engineers, experts, and managers. Surely if so many State and city governments, as earlier cited, are willing to compete with private industry for this talent, the Federal Government, with its urgent missions to perform, can face up to this problem as well. As a practical matter, the full principle of comparability cannot be applied to the higher salary levels of government; but I consider adequate adjustment in our top executive and professional positions to be the most vital single element of correction in this entire proposal.

This reform of top career salaries will, of course, boost the pay of many civil servants to a level above that paid to their chiefs in Cabinet, sub-Cabinet and similar positions. I recognize, however, that the salary level of these top executives has been quite properly related in recent years with the salary level of the Congress; and, while both are, in my opinion, inadequate, it is neither customary nor appropriate to either provide such increases during current terms of office or specify congressional increases in a Presidential message. Representatives of the executive branch stand ready, however, to cooperate with the Congress in determining what executive and congressional pay scales would be appropriate following the terms of the present incumbents.

TIMING AND COST

It is important for the Federal Government to adhere to its own precepts with respect to pay adjustments in the economy as a whole. Because of the salary lag that has developed over the past 17 years, full correction of the accrued inequities in 1 year would be unwise, involving the substantial cost of more than $1 billion. This cost would come at a time when heavy budgetary demands have been placed upon us to meet great national security needs, and when the Government is urging private labor and management to exercise self-restraint to avoid the creation of inflationary pressures. Therefore, to reduce the impact in any one year on the affected $10 billion Federal payroll, where each 1 percent increase costs $100 million, the plan that I recommend provides that the full 10 percent be distributed over three annual stages, beginning prospectively on January 1, 1963. The increase scheduled to take effect next year is clearly well within the national average productivity increase (in the private sector) which has taken place since the last Federal pay increase in July of 1960.

The substantial costs necessarily involved in achieving this pay reform make it especially important that these improvements in our pay systems take absolute priority over general percentage or dollar increases of the kind we have seen in the past—increases which make little if any contribution to efficiency or economy in Government.

CONCLUSION

As I stated in my budget message, the first requirement for efficiency and economy in Government is highly competent personnel. I believe that enactment of this plan for sound salary administration is fundamental to the maintenance of a standard of excellence in the Federal service. It is my belief that this measure, if enacted, will constitute the most important revision and reform in Federal personnel legislation in more than a decade. It is the most important proposal to improve the Federal service which has been presented by this administration; and I believe it is essential if we are to achieve and maintain proficiency in the Federal Government. If our civil servants are to fulfill with skill and devotion their obligations to the Nation, the Nation must fulfill its obligations to the career service.

JOHN F. KENNEDY.

THE WHITE HOUSE, *February 20, 1962.*

COLONEL GLENN'S ORBITAL FLIGHT

(Mr. BOGGS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOGGS. Mr. Speaker, along with the Vice President, yourself, the majority leader, and others, I was present in the White House this morning at the blastoff of Colonel Glenn in his spaceship now circling our earth. It was significant that you, sir, and the Vice President should be present, because it was the vision of both of you which created the two congressional committees which have been responsible for this magnificent program.

The marvel of the thing and the bravery of the man, Colonel Glenn, were felt throughout the morning breakfast. Each delay caused visible dismay. The President, in company with all of his fellow Americans, reflected the hopes and the aspirations riding with this 20th-century Christopher Columbus. At the time of the blastoff we all stood next to a small portable television set in the White House, and silently asked God to protect this lonely American patriot.

As we watched, the seconds stretched into minutes and the reports came back of success. The telephone rang and the President was on the phone with Cape Canaveral and now he, along with the peace-loving peoples all over our earth, is awaiting the return of Colonel Glenn.

I might say, Mr. Speaker, that this is a magnificent tribute to our American free and open society, and a stark contrast to the Communist-closed society where their space operations have been closed in secrecy. In our country we have conducted this great adventure in full view of the entire world over television.

If Colonel Glenn succeeds, and pray God he will, not only will it be a tribute to his intrepid bravery but to the millions and millions of our fellow citizens who made this great journey possible.

COLONEL GLENN'S ORBITAL FLIGHT

(Mr. HALLECK asked and was given permission to address the House for 1 minute.)

Mr. HALLECK. Mr. Speaker, first of all I want to commend the majority whip for the remarks he has just made and to say that all of us share with him his feelings as he has expressed them. I suppose it goes without saying that I was not at the White House meeting. But on our side the Republican leaders of the Senate and House were meeting here in the Capitol and we ceased our deliberations to watch the blastoff on television.

I must say it is a happy day for all of us.

Col. John Glenn in orbit around the world.

Certainly this is another example of American dedication, know-how, and courage. Also I can properly say that this is the culmination of a long period of preparation in this vast scientific field. It was a long and stirring struggle and every American has a right to be proud today. Certainly, the delays that we have witnessed have been agonizing, but I think essentially they reflect our high regard for human life.

None of us would begrudge the precautions taken nor the delays occasioned by the insistence on this degree of perfection that so far indicates the safe return of Colonel Glenn. In respect to those precautions and those endeavors, none of us would want it otherwise.

87TH CONGRESS
2D SESSION

H. R. 10480

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 28, 1962

Mr. MURRAY introduced the following bill; which was referred to the Committee on Post Office and Civil Service

A BILL

To reform the major statutory salary systems of the Federal Government; to establish appropriate relationships among them; to adopt and apply the principle of Government-private enterprise salary comparability; and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—GENERAL POLICY

SHORT TITLE

SEC. 101. This Act may be cited as the "Federal Salary Reform Act of 1962".

DECLARATION OF POLICY

SEC. 102. The Congress hereby declares that, whereas the functions of a Federal salary system are to fix salary

rates for the services rendered by Federal employees so as to make possible the employment of persons well qualified to conduct the Government's programs and to control expenditures of public funds for personal services with equity to the employee and to the taxpayer, and whereas fulfillment of these functions is essential to the development and maintenance of maximum proficiency in the civilian services of Government, then, accordingly, Federal salary fixing shall be based upon the principles that—

(a) There shall be equal pay for substantially equal work, and pay distinctions shall be maintained in keeping with work and performance distinctions; and

(b) Federal salary rates shall be comparable with private enterprise salary rates for the same levels of work.

Salary levels for the several Federal statutory salary systems shall be interrelated, and salary levels shall be set and henceforth adjusted in accordance with the above principles.

IMPLEMENTATION OF POLICY

SEC. 103. In order to give effect to the policy stated in section 102, the President: (1) shall direct such agency or agencies, as he deems appropriate, to prepare and submit to him annually a report which compares the rates of salary fixed by statute for Federal employees with the rates of salary paid for the same levels of work in private

enterprise as determined on the basis of appropriate annual surveys conducted by the Bureau of Labor Statistics, and, after seeking the views of such employee organizations as he deems appropriate and in such manner as he may provide, (2) shall report annually to the Congress (a) this comparison of Federal and private enterprise salary rates and (b) such recommendations for revision of statutory salary schedules, salary structures, and compensation policy, as he deems advisable.

SEC. 104. (a) Whenever the President or such agency or agencies as he may designate shall find that the salary rates in private enterprise for one or more occupations in one or more areas or locations are so substantially above the salary rates of statutory pay schedules as to handicap significantly the Government's recruitment or retention of well-qualified persons in positions compensated under (1) the Classification Act of 1949, as amended (5 U.S.C. 1113 (b)), (2) the Postal Field Service Compensation Act of 1955, as amended (39 U.S.C. 3542–3544), (3) the pay scales for physicians, dentists, and nurses in the Department of Medicine and Surgery of the Veterans' Administration (38 U.S.C. 4107), or (4) the Foreign Service Act of 1946, as amended (22 U.S.C. 866, 867, and 870), the President or such agency or agencies as he may designate may establish for such areas or locations higher minimum rates of basic

salary for one or more grades or levels, occupational groups, series, classes, or subdivisions thereof, and may make corresponding increases in all step rates of the salary range for each such grade or level: *Provided*, That in no case shall any minimum salary rate so established exceed the highest salary rate prescribed by law for the grade or level.

(b) Rates of basic compensation established under subsection (a) may be revised from time to time by the President or by such agency or agencies as he may designate. Such actions or revisions shall have the force and effect of law.

(c) Any increase in rate of basic compensation established under this section shall not be regarded as an "equivalent increase" in compensation within the meaning of section 701 (a) of the Classification Act of 1949, as amended, and section 3552 of title 39 of the United States Code.

SEC. 105. The functions, duties, and regulations of the departments of the Civil Service Commission with respect to this title, the Classification Act of 1949, as amended, the Postal Field Service Compensation Act of 1955, as amended, the Foreign Service Act of 1946, as amended, and

chapter 73 of title 38 of the United States Code, shall be subject to such policies and rules as the President may issue. Among other things, the President's policies and rules may provide for—

(1) preparing and reporting to him the annual comparison of Federal salary rates with private enterprise rates,

(2) obtaining and reporting to him the views of employee organizations on such annual comparison, and on other salary matters,

(3) reviewing and reporting to him on the adequacy of the Federal statutory salary structures for the Federal programs to which they apply,

(4) reviewing the relationship of Federal statutory salary rates and private enterprise salary rates in specific occupations and local areas, and

(5) providing step-increases in recognition of extra competence, providing for appointment at salary rates above the minimum, and providing for properly relating supervisory salary rates paid under one system to those of subordinates paid under another system.

TITLE II—PAY SYSTEM OF THE CLASSIFICATION ACT OF 1949

SHORT TITLE

SEC. 201. This title may be cited as the "Classification Act Amendments of 1962".

BASIC COMPENSATION SCHEDULES

SEC. 202. (a) That part of the first sentence of section 602 of the Classification Act of 1949, as amended (5 U.S.C. 1112), immediately before the colon, is amended by striking out "eighteen" and inserting "twenty" to read as follows:

"The General Schedule shall be divided into twenty grades of difficulty and responsibility of work, as follows:".

(b) Such section 602 is further amended by adding, following the definition of grade GS–18, two new grades, GS–19 and GS–20, as follows:

"Grade GS–19 includes all classes of positions placed in such grade by the President as provided in section 505 (c) of this Act.

"Grade GS–20 includes all classes of positions placed in such grade by the President as provided in section 505 (b) of this Act.".

SEC. 203. (a) Section 603 (b) of the Classification Act

of 1949, as amended (74 Stat. 298; 5 U.S.C. 1113(b)), is amended to read as follows:

"(b) The following compensation schedule for the General Schedule shall become effective on the first day of the first pay period which begins on or after January 1, 1963:

"Grade	Per annum rates and steps									
	1	2	3	4	5	6	7	8	9	10
GS–1	$3,225	$3,330	$3,435	$3,540	$3,645	$3,750	$3,855	$3,960	$4,065	$4,170
GS–2	3,540	3,645	3,750	3,855	3,960	4,065	4,170	4,275	4,380	4,485
GS–3	3,800	3,905	4,010	4,115	4,220	4,330	4,455	4,580	4,705	4,830
GS–4	4,110	4,250	4,390	4,530	4,670	4,810	4,950	5,090	5,230	5,370
GS–5	4,565	4,715	4,865	5,015	5,165	5,315	5,465	5,615	5,765	5,915
GS–6	5,035	5,205	5,375	5,545	5,715	5,885	6,055	6,225	6,395	6,565
GS–7	5,540	5,725	5,910	6,095	6,280	6,465	6,650	6,835	7,020	7,205
GS–8	6,090	6,295	6,500	6,705	6,910	7,115	7,320	7,525	7,730	7,935
GS–9	6,675	6,900	7,125	7,350	7,575	7,800	8,025	8,250	8,475	8,700
GS–10	7,290	7,535	7,780	8,025	8,270	8,515	8,760	9,005	9,250	9,495
GS–11	7,960	8,225	8,490	8,755	9,020	9,285	9,550	9,815	10,080	10,345
GS–12	9,380	9,695	10,010	10,325	10,640	10,955	11,270	11,585	11,900	12,215
GS–13	10,965	11,330	11,695	12,060	12,425	12,790	13,155	13,520	13,885	14,250
GS–14	12,665	13,090	13,515	13,940	14,365	14,790	15,215	15,640	16,065	16,490
GS–15	14,495	14,975	15,455	15,935	16,415	16,895	17,375	17,855	18,335	18,815
GS–16	16,400	16,945	17,490	18,035	18,580	19,125	19,670	-------	-------	-------
GS–17	18,350	18,960	19,570	20,180	-------	-------	-------	-------	-------	-------
GS–18	20,315	-------	-------	-------	-------	-------	-------	-------	-------	-------
GS–19	22,245	-------	-------	-------	-------	-------	-------	-------	-------	-------
GS–20	23,000	-------	-------	-------	-------	-------	-------	-------	-------	------".

(b) The rates of basic compensation of officers and employees to whom subsection (a) of this section applies shall, subject to the provisions of paragraph (8) of this subsection, be initially adjusted as follows:

(1) If the officer or employee is receiving basic compensation immediately prior to the effective date of subsection (a) of this section at the first, second, third, fourth, fifth, sixth, or seventh scheduled rate, or at the first, second, or third longevity rate of a grade below grade 11 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at

the corresponding first, second, third, fourth, fifth, sixth, seventh, eighth, ninth, or tenth rate of the appropriate grade in effect on and after such date.

(2) If the officer or employee is receiving basic compensation immediately prior to the effective date of subsection (a) of this section at the first, second, third, fourth, fifth, or sixth scheduled rate, or at the first, second, or third longevity rate of grade 11, 12, 13, or 14 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, fifth, sixth, seventh, eighth, or ninth rate of the appropriate grade in effect on and after such date.

(3) If the officer or employee is receiving basic compensation immediately prior to the effective date of subsection (a) of this section at the first, second, third, fourth, or fifth scheduled rate, or at the first, second, or third longevity rate of grade 15 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, fifth, sixth, seventh, or eighth rate of such grade in effect on and after such date.

(4) If the officer or employee is receiving basic compensation immediately prior to the effective date of subsection

(a) of this section at the first, second, third, fourth, or fifth rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, or fifth rate of such grade in effect on and after such date.

(5) If the officer or employee is receiving basic compensation immediately prior to the effective date of subsection (a) of this section at the first, second, third, fourth, or fifth rate of grade 17 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, or fifth rate of such grade in effect on and after such date.

(6) If the officer or employee is receiving basic compensation immediately prior to the effective date of subsection (a) of this section at the rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding rate of such grade in effect on and after such date.

(7) If the officer or employee is receiving basic compensation immediately prior to the effective date of subsection (a) of this section at a rate between two scheduled or two longevity rates, or between a scheduled and a longevity rate, of a grade of the General Schedule, he shall receive a rate

of basic compensation at the higher of the two corresponding rates, as specified in paragraphs (1), (2), (3), or (4) of this subsection, in effect on and after such date.

(8) If the officer or employee is receiving basic compensation immediately prior to the effective date of subsection (a) of this section at a rate in excess of the maximum longevity rate for his grade, or in excess of the maximum scheduled rate for his grade if there is no longevity rate for his grade, he shall receive (A) the rate of the new schedule, in effect on and after such date, prescribed by paragraphs (1) through (5) of this subsection for employees at the maximum longevity rate or at the maximum scheduled rate, as the case may be, for his grade, or (B) if such rate is less than his existing rate, (i) the lowest rate of the new schedule for his grade which equals or exceeds his existing rate or (ii) if there is no such rate, his existing rate.

(9) Service of officers and employees performed immediately preceding the effective date of subsection (a) of this section in the grade of the General Schedule in which their respective positions were placed on such date, shall be counted toward not to exceed one step increase under the time in grade provisions of subsection (a) of section 701 of the Classification Act of 1949 as amended by this Act.

(c) Effective on the first day of the first pay period which begins on or after January 1, 1964, section 603 (b) of

the Classification Act of 1949, as amended (74 Stat. 298 as amended; 5 U.S.C. —), is amended to read as follows:

"(b) The compensation schedule for the General Schedule shall be as follows:

"Grade	Per annum rates and steps									
	1	2	3	4	5	6	7	8	9	10
GS-1	$3,265	$3,370	$3,475	$3,580	$3,685	$3,790	$3,895	$4,000	$4,105	$4,210
GS-2	3,580	3,685	3,790	3,895	4,000	4,105	4,210	4,315	4,420	4,525
GS-3	3,840	3,945	4,050	4,155	4,260	4,375	4,500	4,625	4,750	4,875
GS-4	4,175	4,315	4,455	4,595	4,735	4,875	5,015	5,155	5,295	5,435
GS-5	4,645	4,800	4,955	5,110	5,265	5,420	5,575	5,730	5,885	6,040
GS-6	5,165	5,335	5,505	5,675	5,845	6,015	6,185	6,355	6,525	6,695
GS-7	5,695	5,885	6,075	6,265	6,455	6,645	6,835	7,025	7,215	7,405
GS-8	6,285	6,495	6,705	6,915	7,125	7,335	7,545	7,755	7,965	8,175
GS-9	6,925	7,155	7,385	7,615	7,845	8,075	8,305	8,535	8,765	9,995
GS-10	7,585	7,840	8,095	8,350	8,605	8,860	9,115	9,370	9,625	9,880
GS-11	8,325	8,600	8,875	9,150	9,425	9,700	9,975	10,250	10,525	10,800
GS-12	9,910	10,240	10,570	10,900	11,230	11,560	11,890	12,220	12,550	12,880
GS-13	11,670	12,060	12,450	12,840	13,230	13,620	14,010	14,400	14,790	15,180
GS-14	13,615	14,070	14,525	14,980	15,435	15,890	16,345	16,800	17,255	17,710
GS-15	15,725	16,250	16,775	17,300	17,825	18,350	18,875	19,400	19,925	20,450
GS-16	17,970	18,570	19,170	19,770	20,370	20,970	21,570	-------	-------	-------
GS-17	20,325	21,000	21,675	22,350	-------	-------	-------	-------	-------	-------
GS-18	22,740	-------	-------	-------	-------	-------	-------	-------	-------	-------
GS-19	25,150	-------	-------	-------	-------	-------	-------	-------	-------	-------
GS-20	26,000	-------	-------	-------	-------	-------	-------	-------	-------	-------

".

(d) The rates of basic compensation of officers and employees to whom subsection (c) of this section applies shall be initially adjusted as follows:

(1) If the officer or employee is receiving basic compensation immediately prior to the effective date of subsection (c) of this section at one of the rates of a grade in the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding rate in effect on and after such date.

(2) If the officer or employee is receiving basic compensation immediately prior to the effective date of subsection (c) of this section at a rate between two rates of a grade

in the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the higher of the two corresponding rates in effect on and after such date.

(3) If the officer or employee is receiving basic compensation immediately prior to the effective date of subsection (c) of this section at a rate in excess of the maximum rate for his grade, as in effect on and after such effective date, he shall receive (A) the rate of the new schedule prescribed for employees at the maximum rate for his grade, or (B) his existing rate of basic compensation if such existing rate is higher.

(e) Effective on the first day of the first pay period which begins on or after January 1, 1965, section 603 (b) of the Classification Act of 1949, as amended (74 Stat. 298 as amended; 5 U.S.C. —), is amended to read as follows:

"(b) The compensation schedule for the General Schedule shall be as follows:

"Grade	Per annum rates and steps									
	1	2	3	4	5	6	7	8	9	10
GS–1	$3,305	$3,410	$3,515	$3,620	$3,725	$3,830	$3,935	$4,040	$4,145	$4,250
GS–2	3,620	3,725	3,830	3,935	4,040	4,145	4,250	4,355	4,460	4,565
GS–3	3,880	3,985	4,090	4,195	4,300	4,405	4,525	4,650	4,775	4,900
GS–4	4,215	4,355	4,495	4,635	4,775	4,915	5,055	5,195	5,335	5,475
GS–5	4,690	4,850	5,010	5,170	5,330	5,490	5,650	5,810	5,970	6,130
GS–6	5,235	5,410	5,585	5,760	5,935	6,110	6,285	6,460	6,635	6,810
GS–7	5,795	5,990	6,185	6,380	6,575	6,770	6,965	7,160	7,355	7,550
GS–8	6,420	6,635	6,850	7,065	7,280	7,495	7,710	7,925	8,140	8,355
GS–9	7,095	7,330	7,565	7,800	8,035	8,270	8,505	8,740	8,975	9,210
GS–10	7,800	8,060	8,320	8,580	8,840	9,100	9,360	9,620	9,880	10,140
GS–11	8,580	8,865	9,150	9,435	9,720	10,005	10,290	10,575	10,860	11,145
GS–12	10,270	10,615	10,960	11,305	11,650	11,995	12,340	12,685	13,030	13,375
GS–13	12,190	12,595	13,000	13,405	13,810	14,215	14,620	15,025	15,430	15,835
GS–14	14,310	14,785	15,260	15,735	16,210	16,685	17,160	17,635	18,110	18,585
GS–15	16,620	17,175	17,730	18,285	18,840	19,395	19,950	20,505	21,060	21,615
GS–16	19,125	19,760	20,395	21,030	21,665	22,300	22,935	-------	-------	-------
GS–17	21,755	22,480	23,205	23,930	-------	-------	-------	-------	-------	-------
GS–18	24,500	-------	-------	-------	-------	-------	-------	-------	-------	-------
GS–19	27,290	-------	-------	-------	-------	-------	-------	-------	-------	-------
GS–20	28,000	-------	-------	-------	-------	-------	-------	-------	-------	-------

".

(f) The rates of basic compensation of officers and employees to whom subsection (e) of this section applies shall be initially adjusted as follows:

(1) If the officer or employee is receiving basic compensation immediately prior to the effective date of subsection (e) of this section at one of the rates of a grade in the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding rate in effect on and after such date.

(2) If the officer or employee is receiving basic compensation immediately prior to the effective date of subsection (e) of this section at a rate between two rates of a grade in the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the higher of the two corresponding rates in effect on and after such date.

(3) If the officer or employee is receiving basic compensation immediately prior to the effective date of subsection (e) of this section at a rate in excess of the maximum rate for his grade, as in effect on and after such effective date, he shall receive (A) the rate of the new schedule prescribed for employees at the maximum rate for his grade, or (B) his existing rate of basic compensation if such existing rate is higher.

STEP-INCREASES

SEC. 204. Title VII of the Classification Act of 1949, as amended (5 U.S.C. 1121–1125), relating to step-increases under such Act, is amended to read as follows:

"TITLE VII—STEP-INCREASES

"SEC. 701. (a) Each officer or employee compensated on a per annum basis, and occupying a permanent position within the scope of the compensation schedules fixed by this Act, who has not attained the maximum rate of compensation for the grade in which his position is placed, shall be advanced in compensation successively to the next higher rate within the grade at the beginning of the next pay period following the completion of (1) each fifty-two calendar weeks of service in salary rates 1, 2, and 3, or (2) each one hundred and four calendar weeks of service in salary rates 4, 5, and 6, or (3) each one hundred and fifty-six calendar weeks of service in salary rates 7, 8, and 9, subject to the following conditions:

"(A) That no equivalent increase in compensation from any cause was received during such period;

"(B) That his work is of an acceptable level of competence; and

"(C) That the benefit of successive step-increases shall be preserved, under regulations issued by the Com-

mission, for officers and employees whose continuous service is interrupted in the public interest by service with the Armed Forces or by service in essential non-Government civilian employment during a period of war or national emergency.

"(b) Any increase in compensation granted by law after June 30, 1951, shall not be construed to be an equivalent increase in compensation within the meaning of subsection (a).

"SEC. 702. (a) Within the limit of available appropriations and in accordance with regulations prescribed by the Commission, the head of each department or agency is authorized to grant additional step-increases in recognition of high quality performance above that ordinarily found in the type of position concerned. Step-increases under this section shall be in addition to those under section 701 and shall not be construed to be an equivalent increase in compensation within the meaning of subsection (a) of section 701.

"(b) No officer or employee shall be eligible under this section for more than one such additional step-increase within any period of fifty-two weeks.

"SEC. 703. This title shall not apply to the compensation of persons appointed by the President, by and with the advice and consent of the Senate."

GENERAL COMPENSATION RULES

SEC. 205. Section 801 of the Classification Act of 1949, as amended (5 U.S.C. 1131), relating to new appointments, is amended to read as follows:

"SEC. 801. All new appointments shall be made at the minimum rate of the appropriate grade, except that the head of any department or agency may, in accordance with regulations prescribed by the Commission, (a) appoint individuals who have extra qualifications for the position concerned at such higher rate or rates of a grade as the Commission may authorize for this purpose, and (b) make new appointments at rates above the minimum rate of the appropriate grade when the minimum rate would be less than the salary received by a well qualified appointee immediately prior to appointment, but no appointment under this subsection (b) shall be made at a rate higher than the lowest rate of the appropriate grade which equals or exceeds an appointee's salary rate immediately prior to appointment.".

SEC. 206. (a) Subsection (b) of section 802 of the Classification Act of 1949, as amended (5 U.S.C. 1132 (b)), relating to the salary to be received by an officer or employee who is promoted or transferred to a higher grade, is amended to read as follows:

"(b) Any officer or employee who is promoted or transferred to a position in a higher grade shall receive basic compensation at the lowest rate of such higher grade which exceeds his existing rate of basic compensation by not less than two step-increases of the grade from which he is promoted or transferred. If, in the case of any officer or employee so promoted or transferred who is receiving basic compensation at a rate in excess of the maximum rate for his grade under any provision of law, there is no rate in such higher grade which is at least two step-increases above his existing rate of basic compensation, he shall receive (1) the maximum rate of such higher grade, or (2) his existing rate of basic compensation, if such existing rate is the higher."

(b) Section 802 of such Act is further amended by adding at the end thereof a new subsection to read as follows:

"(d) The Commission may issue regulations governing the retention of the rate of basic compensation of an employee who together with his position is brought under this Act. If an employee entitled to receive a retained rate under regulations issued pursuant to this subsection is later demoted to a position under this Act, his rate of basic compensation shall be determined in accordance with section 507

of this Act, except that service in the position which was brought under the Act shall, for purposes of section 507, be considered as service under this Act.".

SEC. 207. Section 803 of the Classification Act of 1949, as amended (5 U.S.C. 1133), is amended to read as follows:

"SEC. 803. Any employee in a position under the Classification Act of 1949, as amended, who regularly has responsibility for supervision, including technical supervision, over employees whose compensation is fixed and adjusted from time to time by wage boards or similar administrative authorities as nearly as is consistent with the public interest in accordance with prevailing rates, may, in accordance with regulations issued by the Commission, be paid a rate for his grade which is above the highest rate of basic compensation being paid to any such prevailing-rate employee regularly supervised.".

SALARY RETENTION

SEC. 208. Section 507 of the Classification Act of 1949, as amended (72 Stat. 830; 5 U.S.C. 1107), is amended—

(1) by striking out "(other than grade 16, 17, or 18 of the General Schedule)" in paragraph (1) of subsection (a) of such section; and

(2) by striking out "(B) in the same grade or in the same and higher grades;" in paragraph (4) of subsection (a) of such section; and by inserting in

lieu thereof "(B) in any grade or grades higher than the grade to which demoted;".

TOP GRADE POSITIONS UNDER CLASSIFICATION ACT OF 1949

SEC. 209. Section 505 of the Classification Act of 1949, as amended (5 U.S.C. 1105), relating to the authorization and distribution of positions in grades 16, 17, and 18 of the General Schedule of such Act, is amended to read as follows:

"SEC. 505. (a) No positions shall be placed in grade 16, 17, or 18 of the General Schedule except by action of, or after prior approval by, a majority of the Civil Service Commissioners.

"(b) A position shall be placed in grade 20 of the General Schedule only when the President finds, after review of recommendations of the Commission, that it entails responsibility for direction of a program or activity involving such significant implications for the national interest or such magnitude of operations and impact on the public welfare that it should be placed in the highest grade in which positions can be placed under the Classification Act."

"(c) A position shall be placed in grade 19 of the General Schedule only when the President finds, after review of the recommendations of the Commission, that its duties and responsibilities are of such national significance that it should be at a higher level than positions in grade 18 of the General

Schedule although it does not meet the requirements of grade 20 of the General Schedule.

"(d) (1) The Commission shall submit to the Congress, not later than February 1 of each year, a report which sets forth with respect to positions allocated to or placed in grades 16, 17, and 18 of the General Schedule (including such positions so allocated or placed on a temporary or present incumbency basis)—

"(A) the total number of such positions allocated to or placed in all of such grades during the immediately preceding calendar year, the total number of such positions allocated to or placed in each of such grades during such immediately preceding calendar year, and the total number of such positions in existence during such immediately preceding calendar year and the grades to or in which such total number of positions in existence are allocated or placed;

"(B) the name, rate of compensation, and description of the qualifications of each incumbent of each such position, together with the position title and a statement of the duties and responsibilities performed by each such incumbent; and

"(C) such other information as may be required by law or as the Commission may deem appropriate.

Nothing contained in this subsection shall require the resub-

mission of any information required under subparagraph (B) of this subsection which has been reported pursuant to this subsection and which remains unchanged.

"(2) In any instance in which the Commission may find full public disclosure of any or all of the above-specified items to be detrimental to the national security, the Commission is authorized—

"(A) to omit in such annual report those items with respect to which full public disclosure is found to be detrimental to the national security;

"(B) to inform the Congress of such omission; and

"(C) at the request of any congressional committee to which such report is referred, to present all information concerning such items."

CONFORMING CHANGES IN EXISTING LAW

SEC. 210. The following provisions of law are hereby repealed:

(1) Section 104 of the Department of Commerce and Related Agencies Appropriation Act, 1956 (69 Stat. 234; 5 U.S.C. 592(d)), authorizing grade 17 of the General Schedule of the Classification Act of 1949 for the position of Budget Officer of the Department of Commerce so long as the position is held by the present incumbent.

(2) The second proviso of the paragraph under the heading "Federal Prison System" and under the subheading

"Salaries and Expenses, Bureau of Prisons" in the Department of Justice Appropriation Act, 1956 (69 Stat. 273; 5 U.S.C. 298a), authorizing the Attorney General, without regard to the Classification Act of 1949, to place three positions in grade 16 of the General Schedule established by such Act.

(3) Section 206 of the Public Works Appropriation Act, 1956 (69 Stat. 360; 5 U.S.C. 483–2), authorizing the Secretary of the Interior to place the position of Director, Division of Budget and Finance, in grade 17 of the General Schedule established by the Classification Act of 1949 so long as the position is held by the present incumbent.

(4) The second paragraph under the heading "Administrative Provisions" in title III of the Public Works Appropriation Act, 1956 (69 Stat. 364; 10 U.S.C. 1335, note), authorizing the Chief of Engineers to place the position of Chief of the Programs Branch, Office of the Assistant Chief of Engineers for Civil Works, in grade 17 of the General Schedule established by the Classification Act of 1949 so long as the position is held by the present incumbent.

(5) The fourth sentence of section 10(b)(4) of the Railroad Retirement Act of 1937 (72 Stat. 1781; 45 U.S.C. 228j(b)(4)), authorizing nine positions in grades 16, 17,

and 18 of the General Schedule established by the Classification Act of 1949.

(6) Section 14(a) of the Federal Employees Health Benefits Act of 1959 (73 Stat. 716; 5 U.S.C. 3013(a)), authorizing the Chairman of the Civil Service Commission to appoint in grade 18 of the General Schedule an officer having functions and duties with respect to retirement, life insurance, and health benefits programs.

(7) Section 24(d) of the Area Redevelopment Act (75 Stat. 62; — U.S.C. —), authorizing five positions in grades 16, 17, and 18 of the General Schedule established by the Classification Act of 1949 for agencies performing functions under that Act.

(8) The last sentence of the third paragraph in section 3 of title 35 of the United States Code, relating to the annual salaries of certain officers and employees in the Patent Office, which reads: "The Secretary of Commerce is authorized to fix the per annum rate of basic compensation of each examiner-in-chief in the Patent Office at not in excess of the maximum scheduled rate provided for positions in grade 17 of the General Schedule of the Classification Act of 1949, as amended.".

(9) The fourth sentence in the second paragraph of section 7 of title 35 of the United States Code, relating to

the annual salaries of designated examiners-in-chief in the Patent Office, which reads: "The Secretary of Commerce is authorized to fix the per annum rate of basic compensation of each designated examiner-in-chief in the Patent Office at not in excess of the maximum scheduled rate provided for positions in grade 16 of the General Schedule of the Classification Act of 1949, as amended.".

(10) The fourth sentence of section 3 (a) of the Fish and Wildlife Act of 1956 (70 Stat. 1120; 16 U.S.C. 742b (a)), relating to the annual salary of the Commissioner of Fish and Wildlife in the Department of the Interior, which reads: "He shall receive compensation at the same rate as that provided for grade GS–18.".

(11) The proviso contained in the first sentence of section 5 (d) of the Farm Credit Act of 1953, as amended (75 Stat. 793; 12 U.S.C. 636d (d)), relating to the annual salaries for not more than three positions of deputy governor in the Farm Credit Administration, which reads: ": *Provided*, That the salary of not more than three positions of deputy governor each shall be fixed by the Board at a rate not exceeding the maximum scheduled rate of the General Schedule of the Classification Act of 1949, as amended".

(12) Subsection (b) of section 7 of the Peace Corps Act (75 Stat. 615; — U.S.C. —), relating to the compensation of certain persons employed under that Act.

(13) The first proviso in the paragraph under the heading "Immigration and Naturalization Service" and under the subheading "Salaries and Expenses" in the Department of Justice Appropriation Act, 1957 (70 Stat. 307; 5 U.S.C. 342b–1), relating to the annual salaries of the five assistant commissioners and one district director in the Immigration and Naturalization Service, which reads: ": *Provided*, That the compensation of the five assistant commissioners and one district director shall be at the rate of grade GS–16".

(14) That part of section 207 of the Agricultural Act of 1956 (70 Stat. 200; 7 U.S.C. 1857), relating to the annual salary of an agricultural surplus disposal administrator in the Department of Agriculture, which reads: ", at a salary rate of not exceeding $15,000 per annum,".

(15) Section 503 of the Act of July 31, 1956 (70 Stat. 762; 5 U.S.C. 1105a), relating to the submission of reports to Congress with respect to positions in the top grades of the Classification Act of 1949, as amended.

(16) Section 1102 of the Classification Act of 1949, as amended (63 Stat. 971; 5 U.S.C. 1073), relating to the submission of reports with respect to the rates of compensation under, and the administration of, such Act.

(17) Section 803 of the Classification Act of 1949, as amended (68 Stat. 1106; 5 U.S.C. 1133), relating to author-

ity of the Civil Service Commission to increase, under certain conditions, the existing minimum rate of basic compensation for a given class of positions.

SEC. 211. (a) Subsection (b) of section 625 of the Foreign Assistance Act of 1961 (75 Stat. 449; — U.S.C. —), is amended to read:

"(b) Of the personnel employed in the United States to carry out part I or coordinate part I and part II, not to exceed seventy-six may be appointed or removed without regard to the provisions of any law: *Provided,* That under such regulations as the President shall prescribe, officers and employees of the United States Government who are appointed to any of the above positions may be entitled, upon removal from such position, to reinstatement to the position occupied at the time of appointment or to a position of comparable grade and salary. Such positions shall be in addition to those authorized by law to be filled by Presidential appointment.".

(b) Subsection (c) of such section 625 of the Foreign Assistance Act of 1961 is repealed.

(c) Subsection (b) of section 104 of the Mutual Educational and Cultural Exchange Act of 1961 (75 Stat. 530; — U.S.C. —), relating to the employment and compensation of certain personnel to carry out the provisions of that Act, is amended to read:

"(b) The President is authorized to employ such other personnel as he deems necessary to carry out the provisions and purposes of this Act.".

SEC. 212. (a) Each position specifically referred to in, or covered by, any amendment made by sections 210 and 211 of this title shall be placed in the appropriate grade of the General Schedule of the Classification Act of 1949, as amended, in accordance with the provisions of such Act.

(b) Positions in grades 16, 17, or 18, as the case may be, of the General Schedule of the Classification Act of 1949, as amended, immediately prior to the effective date of this section, shall remain, on and after such effective date, in their respective grades, until appropriate action is taken under section 505 of the Classification Act of 1949 as in effect on and after such effective date.

SAVINGS PROVISIONS

SEC. 213. (a) The changes in existing law made by this title shall not affect any position existing immediately prior to the effective date of any such changes in existing law, the compensation attached to such position, and any incumbent thereof, his appointment thereto, and his entitlement to receive the compensation attached thereto, until appropriate action is taken in accordance with this title.

(b) The incumbent of each such position immediately prior to the effective date of this title shall continue to

receive the rate of basic compensation which he was receiving immediately prior to such effective date until he leaves such position or until he is entitled to receive compensation at a higher rate in accordance with law. When such incumbent leaves such position, the rate of basic compensation of each subsequent appointee to such position shall be determined in accordance with the Classification Act of 1949, as amended.

EFFECTIVE DATES

SEC. 214. The foregoing provisions of this title shall, except as provided in section 203, become effective on the first day of the first pay period which begins on or after January 1, 1963.

TITLE III—POSTAL FIELD SERVICE EMPLOYEES

SHORT TITLE

SEC. 301. This title may be cited as the "Postal Employees Salary Adjustment Act of 1962."

POSTAL FIELD SERVICE SCHEDULE

SEC. 302. Subsection (a) of section 3542 of title 39, United States Code, is amended to read as follows:

"(a) There are established basic compensation schedules for positions in the postal field service which shall be known

as the Postal Field Service Schedules and for which the symbol shall be 'PFS'. The schedules shall become effective on the dates specified herein. Except as provided in sections 3543 and 3544 of this title, basic compensation shall be paid to all employees in accordance with these schedules.

POSTAL FIELD SERVICE SCHEDULE

(To become effective on the first day of the first pay period which begins on or after January 1, 1963)

PFS	Per annum rates and steps												
	1	2	3	4	5	6	7	8	9	10	11	12	13
1	$3,565	$3,685	$3,805	$3,925	$4,045	$4,165	$4,285	$4,405	$4,525	$4,645	$4,765	$4,885	$5,005
2	3,855	3,985	4,115	4,245	4,375	4,505	4,635	4,765	4,895	5,025	5,155	5,285	5,415
3	4,175	4,315	4,455	4,595	4,735	4,875	5,015	5,155	5,295	5,435	5,575	5,715	5,855
4	4,525	4,675	4,825	4,975	5,125	5,275	5,425	5,575	5,725	5,875	6,025	6,175	6,325
5	4,890	5,055	5,220	5,385	5,550	5,715	5,880	6,045	6,210	6,375	6,540	6,705	6,870
6	5,305	5,480	5,655	5,830	6,005	6,180	6,355	6,530	6,705	6,880	7,055	7,230	7,405
7	5,740	5,930	6,120	6,310	6,500	6,690	6,880	7,070	7,260	7,450	7,640	-------	-------
8	6,215	6,420	6,625	6,830	7,035	7,240	7,445	7,650	7,855	8,060	-------	-------	-------
9	6,715	6,940	7,165	7,390	7,615	7,840	8,065	8,290	8,515	8,740	-------	-------	-------
10	7,260	7,500	7,740	7,980	8,220	8,460	8,700	8,940	9,180	9,420	-------	-------	-------
11	7,960	8,225	8,490	8,755	9,020	9,285	9,550	9,815	10,080	10,345	-------	-------	-------
12	8,735	9,025	9,315	9,605	9,895	10,185	10,475	10,765	11,055	11,345	-------	-------	-------
13	9,575	9,895	10,215	10,535	10,855	11,175	11,495	11,815	12,135	12,455	-------	-------	-------
14	10,510	10,860	11,210	11,560	11,910	12,260	12,610	12,960	13,310	13,660	-------	-------	-------
15	11,525	11,910	12,295	12,680	13,065	13,450	13,835	14,220	14,605	14,990	-------	-------	-------
16	12,650	13,070	13,490	13,910	14,330	14,750	15,170	15,590	16,010	16,430	-------	-------	-------
17	13,880	14,340	14,800	15,260	15,720	16,180	16,640	17,100	17,560	18,020	-------	-------	-------
18	15,225	15,730	16,235	16,740	17,245	17,750	18,255	18,760	19,265	19,770	-------	-------	-------
19	16,700	17,255	17,810	18,365	18,920	19,475	20,030	-------	-------	-------	-------	-------	-------
20	18,350	18,960	19,570	20,180	-------	-------	-------	-------	-------	-------	-------	-------	-------

(To become effective on the first day of the first pay period which begins on or after January 1, 1964)

PFS	Per annum rates and steps												
	1	2	3	4	5	6	7	8	9	10	11	12	13
1	$3,660	$3,785	$3,910	$4,035	$4,160	$4,285	$4,410	$4,535	$4,660	$4,785	$4,910	$5,035	$5,160
2	3,960	4,095	4,230	4,365	4,500	4,635	4,770	4,905	5,040	5,175	5,310	5,445	5,580
3	4,290	4,435	4,580	4,725	4,870	5,015	5,160	5,305	5,450	5,595	5,740	5,885	6,030
4	4,645	4,800	4,955	5,110	5,265	5,420	5,575	5,730	5,885	6,040	6,195	6,350	6,505
5	5,020	5,190	5,360	5,530	5,700	5,870	6,040	6,210	6,380	6,550	6,720	6,890	7,060
6	5,440	5,620	5,800	5,980	6,160	6,340	6,520	6,700	6,880	7,060	7,240	7,420	7,600
7	5,890	6,085	6,280	6,475	6,670	6,865	7,060	7,255	7,450	7,645	7,840	-------	-------
8	6,375	6,585	6,795	7,005	7,215	7,425	7,635	7,845	8,055	8,265	-------	-------	-------
9	6,890	7,120	7,350	7,580	7,810	8,040	8,270	8,500	8,730	8,960	-------	-------	-------
10	7,540	7,790	8,040	8,290	8,540	8,790	9,040	9,290	9,540	9,790	-------	-------	-------
11	8,325	8,600	8,875	9,150	9,425	9,700	9,975	10,250	10,525	10,800	-------	-------	-------
12	9,185	9,490	9,795	10,100	10,405	10,710	11,015	11,320	11,625	11,930	-------	-------	-------
13	10,135	10,475	10,815	11,155	11,495	11,835	12,175	12,515	12,855	13,195	-------	-------	-------
14	11,190	11,565	11,940	12,315	12,690	13,065	13,440	13,815	14,190	14,565	-------	-------	-------
15	12,365	12,775	13,185	13,595	14,005	14,415	14,825	15,235	15,645	16,055	-------	-------	-------
16	13,645	14,100	14,555	15,010	15,465	15,920	16,375	16,830	17,285	17,740	-------	-------	-------
17	15,070	15,570	16,070	16,570	17,070	17,570	18,070	18,570	19,070	19,570	-------	-------	-------
18	16,625	17,180	17,735	18,290	18,845	19,400	19,955	20,510	21,065	21,620	-------	-------	-------
19	18,365	18,975	19,585	20,195	20,805	21,415	22,025	-------	-------	-------	-------	-------	-------
20	20,325	21,000	21,675	22,350	-------	-------	-------	-------	-------	-------	-------	-------	-------

(To become effective on the first day of the first pay period which begins on or after January 1, 1965)

PFS	Per annum rates and steps												
	1	2	3	4	5	6	7	8	9	10	11	12	13
1	$3,705	$3,830	$3,955	$4,080	$4,205	$4,330	$4,455	$4,580	$4,705	$4,830	$4,955	$5,080	$5,205
2	4,010	4,145	4,280	4,415	4,550	4,685	4,820	4,955	5,090	5,225	5,360	5,495	5,630
3	4,345	4,490	4,635	4,780	4,925	5,070	5,215	5,360	5,505	5,650	5,795	5,940	6,085
4	4,690	4,850	5,010	5,170	5,330	5,490	5,650	5,810	5,970	6,130	6,290	6,450	6,610
5	5,085	5,255	5,425	5,595	5,765	5,935	6,105	6,275	6,445	6,615	6,785	6,955	7,125
6	5,500	5,685	5,870	6,055	6,240	6,425	6,610	6,795	6,980	7,165	7,350	7,535	7,720
7	5,950	6,150	6,350	6,550	6,750	6,950	7,150	7,350	7,550	7,750	7,950	-------	-------
8	6,440	6,655	6,870	7,085	7,300	7,515	7,730	7,945	8,160	8,375	-------	-------	-------
9	6,965	7,200	7,435	7,670	7,905	8,140	8,375	8,610	8,845	9,080	-------	-------	-------
10	7,725	7,985	8,245	8,505	8,765	9,025	9,285	9,545	9,805	10,065	-------	-------	-------
11	8,580	8,865	9,150	9,435	9,720	10,005	10,290	10,575	10,860	11,145	-------	-------	-------
12	9,520	9,835	10,150	10,465	10,780	11,095	11,410	11,725	12,040	12,355	-------	-------	-------
13	10,555	10,905	11,255	11,605	11,955	12,305	12,655	13,005	13,355	13,705	-------	-------	-------
14	11,700	12,090	12,480	12,870	13,260	13,650	14,040	14,430	14,820	15,210	-------	-------	-------
15	12,980	13,410	13,840	14,270	14,700	15,130	15,560	15,990	16,420	16,850	-------	-------	-------
16	14,400	14,875	15,350	15,825	16,300	16,775	17,250	17,725	18,200	18,675	-------	-------	-------
17	15,960	16,490	17,020	17,550	18,080	18,610	19,140	19,670	20,200	20,730	-------	-------	-------
18	17,690	18,280	18,870	19,460	20,050	20,640	21,230	21,820	22,410	23,000	-------	-------	-------
19	19,615	20,270	20,925	21,580	22,235	22,890	23,545	-------	-------	-------	-------	-------	-------
20	21,755	22,480	23,205	23,930	-------	-------	-------	-------	-------	-------	-------	-------	-------

RURAL CARRIER SCHEDULES

SEC. 303. (a) Subsection (a) of section 3543 of title 39, United States Code, is amended to read as follows:

"(a) There are established basic compensation schedules which shall be known as the Rural Carrier Schedules, and for which the symbol shall be 'RCS'. The schedules shall become effective on the dates specified herein.

RURAL CARRIER SCHEDULE

(To become effective on the first day of the first pay period which begins on or after January 1, 1963)

Per annum rates and steps

1	2	3	4	5	6	7	8	9	10	11	12	13
$4,850	$5,010	$5,170	$5,330	$5,490	$5,650	$5,810	$5,970	$6,130	$6,290	$6,450	$6,610	$6,770

(To become effective on the first day of the first pay period which begins on or after January 1, 1964)

Per annum rates and steps

1	2	3	4	5	6	7	8	9	10	11	12	13
$4,970	$5,135	$5,300	$5,465	$5,630	$5,795	$5,960	$6,125	$6,290	$6,455	$6,620	$6,785	$6,950

(To become effective on the first day of the first pay period which begins on or after January 1, 1965)

Per annum rates and steps

1	2	3	4	5	6	7	8	9	10	11	12	13
$5,045	$5,210	$5,375	$5,540	$5,705	$5,870	$6,035	$6,200	$6,365	$6,530	$6,695	$6,860	$7,025

(b) Subsection (b) of section 3543 of title 39, United States Code, is amended to read as follows:

"(b) (1) The basic compensation to be paid a rural carrier shall be the appropriate rate for his route as determined from the following table, which provides five service classifications for rural routes based upon work requirements for a week comprising six workdays.

Service classification	Weekly work requirements	Basic compensation rate per annum
A	Less than 25 hours	76 percent of rural carrier schedule rate.
B	25 to 28 hours, 59 minutes	82 percent of rural carrier schedule rate.
C	29 to 32 hours, 59 minutes	88 percent of rural carrier schedule rate.
D	33 to 36 hours, 59 minutes	94 percent of rural carrier schedule rate.
E	37 hours and over	100 percent of rural carrier schedule rate. Plus 3.75 percent for each hour or fraction thereof over 40.

"(2) The basic compensation of a rural carrier serving one triweekly route shall be one-half the amount which would be due from a projection of the requirements for his route over a six-day week. The basic compensation of a rural carrier serving two triweekly routes shall be the rate for the service classification based on the combined work requirements of the two routes."

(c) Subsection (c) of section 3543 of title 39, United States Code, is amended to read as follows:

"(c) (1) The Postmaster General shall determine the weekly work requirements of each rural route by application

of the following work standards, pursuant to regulations prescribed by him:

(A) OFFICE TIME STANDARDS

	No. per minute
(i) Routing:	
Letters, cards, and letter size circulars	16
Papers, magazines, catalogs, etc	8
Preparing parcel post for delivery	3
	Minutes
(ii) Other:	
Boxholder mail, whether cased or not, for each 25	1
Withdrawing mail from distribution cases (if the carrier does this)	.5
Strapping mail into bundles—reasonable allowance not exceeding average time actually used.	
Loading mail into vehicles—reasonable allowance not exceeding average time actually used.	
Receipting for COD mail and making returns, for each of the first 5	2
For each COD in excess of first 5	1
Registers and certified signed for and receipts turned in	4
For each 4 pieces marked up	1
For each change of address recorded in roster book	1
Preparing mail collected (letters) and turning in same, each 25 pieces	1
Preparing and turning in parcel post mail collected, each	2
Preparing and turning in money order collections, each of first 5	2
For preparing and turning in each money order, each over 5	1
Checking and purchasing stamp stock	5
For any other office work required and directed, but not listed above, suitable time allowance should be made.	

(B) DELIVERY TIME STANDARDS

	Minutes
For each route mile	2.4
For each three boxes on route	1
For each money order application received	2
For each register and certified accepter	2
For each insured parcel accepted	2
For each ordinary parcel accepted	1
For each register, certified and insured delivered	3
For each COD delivered	4

(C) UNUSUAL CONDITIONS

Suitable time allowance should be made for any unusual circumstances or other services not listed above which are peculiar to the individual route.

"(2) Whenever auxiliary assistance in the office or on the route is provided, the work requirements for the route shall be reduced at the rate of 50 minutes for each hour of such assistance; and the route shall then be reclassified under subsection (b) of this section if the amount of reduction in work requirements is sufficient to affect the service classification of the route."

(d) Subsection (d) of section 3543 of title 39, United States Code, is amended to read as follows:

"(d) The Postmaster General shall provide for—

"(1) An annual inspection of each rural route. Among other things such inspection shall include a count of mail and provide for the development of the statistical data necessary to determine the service classification of each route. Changes in basic compensation which result from annual inspections shall become effective at the beginning of the first pay period which commences on or after July 1 of each calendar year.

"(2) Additional inspections, either upon management initiative when deemed necessary or within sixty days upon individual employee request for reclassification due to service changes. Changes in basic compensation

which result from other than annual inspections shall become effective at the beginning of the pay period following completion of the inspection.

"(3) Determination of the tentative service classification of a newly established rural route to be followed by inspection, and appropriate service classification."

(e) Subsection (f) of section 3543 of title 39, United States Code, is amended to read as follows:

"(f) In addition to the compensation provided in this section, each rural carrier shall be paid an allowance for equipment maintenance determined as follows:

"(1) For routes having less than two hundred and sixty stops, as determined by the Postmaster General, the allowance shall be $4 per day, or 10 cents a mile, whichever is the greater; and

"(2) For other routes, the allowance shall be the greater of—

"(A) 10 cents a mile for each mile or major fraction of a mile scheduled, or

"(B) The sum of the following:

"(i) $4 a day,

"(ii) 5 cents for each twenty stops in excess of two hundred and sixty a day, as determined by the Postmaster General, and

"(iii) 5 cents a mile for each mile or major

fraction of a mile scheduled over twenty-two miles.

"(3) When unusual road conditions contribute to excessive costs in operation of equipment, the Postmaster General may pay an additional allowance as he may deem to be fair and reasonable for such period of time as the conditions prevail. The allowance under this paragraph may not exceed the sum of $2 a day, and such allowance may be paid for not more than ninety days in a calendar year.

Payment for equipment maintenance shall be made at the same periods and in the same manner as payments of basic compensation."

(f) Section 3543 of title 39, United States Code, is amended by adding thereto new subsections (i), (j), and (k) as follows:

"(i) Each person serving as a substitute of record on the effective date of this subsection shall be placed in step 1 of the Rural Carrier Schedule, and he shall be paid for each day of service on the basis of the service classification of his route. Thereafter, he shall be advanced by step-increases pursuant to the provisions of sections 3552 and 3553 of this title.

"(j) During the Christmas mailing season the Postmaster General may, in his discretion, advance the service

classification of such rural routes as service conditions warrant.

"(k) The Postmaster General may pay additional compensation to rural carriers who are required to carry pouch mail to intermediate post offices, or for intersecting loop routes, in all cases where it appears that the carriage of pouches increases the expense of the equipment required by the carrier or materially increases the amount of labor performed by him. The compensation may not exceed the sum of $12 per annum for each mile the carrier is required to carry the pouches."

FOURTH CLASS OFFICE SCHEDULES

SEC. 304. Section 3544(a) of title 39, United States Code, is amended to read as follows:

"(a) There are established basic compensation schedules which shall be known as the Fourth Class Office Schedules, and for which the symbol shall be 'FOS', for postmasters in post offices of the fourth class. The schedules shall become effective on the dates specified herein and are based upon the gross postal receipts as contained in returns of the post office for the calendar year immediately preceding. Basic compensation shall be paid to postmasters in post offices of the fourth class in accordance with these schedules, and the basic compensation so paid, together with other forms of compen-

sation provided by this section, shall replace all existing forms of compensation for these postmasters.

FOURTH CLASS OFFICE SCHEDULE

(To become effective on the first day of the first pay period which begins on or after January 1, 1963)

Gross receipts	Per annum rates and steps												
	1	2	3	4	5	6	7	8	9	10	11	12	13
$1,300 to $1,499.99	$3,510	$3,627	$3,744	$3,861	$3,978	$4,095	$4,212	$4,329	$4,446	$4,563	$4,680	$4,797	$4,914
$900 to $1,299.99	3,120	3,224	3,328	3,432	3,536	3,640	3,744	3,848	3,952	4,056	4,160	4,264	4,368
$600 to $899.99	2,730	2,821	2,912	3,003	3,094	3,185	3,276	3,367	3,458	3,549	3,640	3,731	3,822
$350 to $599.99	2,340	2,418	2,496	2,574	2,652	2,730	2,808	2,886	2,964	3,042	3,120	3,198	3,276
$250 to $349.99	1,950	2,015	2,080	2,145	2,210	2,275	2,340	2,405	2,470	2,535	2,600	2,665	2,730
$200 to $249.99	1,560	1,612	1,664	1,716	1,768	1,820	1,872	1,924	1,976	2,028	2,080	2,132	2,184
$100 to $199.99	1,170	1,209	1,248	1,287	1,326	1,365	1,404	1,443	1,482	1,521	1,560	1,599	1,638
Under $100	780	806	832	858	884	910	936	962	988	1,014	1,040	1,066	1,092

(To become effective on the first day of the first pay period which begins on or after January 1, 1964)

Gross receipts	Per annum rates and steps												
	1	2	3	4	5	6	7	8	9	10	11	12	13
$1,300 to $1,499.99	$3,612	$3,732	$3,852	$3,972	$4,092	$4,212	$4,332	$4,452	$4,572	$4,692	$4,812	$4,932	$5,052
$900 to $1,299.99	3,210	3,317	3,424	3,531	3,638	3,745	3,852	3,959	4,066	4,173	4,280	4,387	4,494
$600 to $899.99	2,809	2,903	2,997	3,091	3,185	3,279	3,373	3,467	3,561	3,655	3,749	3,843	3,937
$350 to $599.99	2,408	2,488	2,568	2,648	2,728	2,808	2,888	2,968	3,048	3,128	3,208	3,288	3,368
$250 to $349.99	2,007	2,074	2,141	2,208	2,275	2,342	2,409	2,476	2,543	2,610	2,677	2,744	2,811
$200 to $249.99	1,605	1,659	1,713	1,767	1,821	1,875	1,929	1,983	2,037	2,091	2,145	2,199	2,253
$100 to $199.99	1,204	1,244	1,284	1,324	1,364	1,404	1,444	1,484	1,524	1,564	1,604	1,644	1,684
Under $100	803	830	857	884	911	938	965	992	1,019	1,046	1,073	1,100	1,127

(To become effective on the first day of the first pay period which begins on or after January 1, 1965)

Gross receipts	Per annum rates and steps												
	1	2	3	4	5	6	7	8	9	10	11	12	13
$1,300 to $1,499.99	$3,654	$3,776	$3,898	$4,020	$4,142	$4,264	$4,386	$4,508	$4,630	$4,752	$4,874	$4,996	$5,118
$900 to $1,299.99	3,248	3,356	3,464	3,572	3,680	3,788	3,896	4,004	4,112	4,220	4,328	4,436	4,544
$600 to $899.99	2,842	2,937	3,032	3,127	3,222	3,317	3,412	3,507	3,602	3,697	3,792	3,887	3,982
$350 to $599.99	2,436	2,517	2,598	2,679	2,760	2,841	2,922	3,003	3,084	3,165	3,246	3,327	3,408
$250 to $349.99	2,030	2,098	2,166	2,234	2,302	2,370	2,438	2,506	2,574	2,642	2,710	2,778	2,846
$200 to $249.99	1,624	1,678	1,732	1,786	1,840	1,894	1,948	2,002	2,056	2,110	2,164	2,218	2,272
$100 to $199.99	1,218	1,258	1,298	1,338	1,378	1,418	1,458	1,498	1,538	1,578	1,618	1,658	1,698
Under $100	812	839	866	893	920	947	974	1,001	1,028	1,055	1,082	1,109	1,136

SEC. 305. Section 3552 of title 39, United States Code, is amended to read as follows:

"(a) Each employee in the postal field service, who has not reached the highest step for his position, shall be advanced successively to the next higher step, as follows:

"(1) To steps 2, 3, and 4—at the beginning of the

first pay period following the completion of fifty-two calendar weeks of satisfactory service;

"(2) To steps 5, 6, and 7—at the beginning of the first pay period following the completion of one hundred and four calendar weeks of satisfactory service; and,

"(3) To steps 8 and above—at the beginning of the first pay period following the completion of one hundred and fifty-six calendar weeks of satisfactory service.

The receipt of an equivalent increase during any of the waiting periods specified in paragraphs (1), (2), and (3) of this subsection shall cause a new full waiting period to commence for further step-increases.

"(b) Any increase in basic compensation granted by law on or after January 1, 1962, to employees in the postal field service shall not be deemed to be an equivalent increase in basic compensation within the meaning of subsection (a) of this section.

"(c) The benefit of successive step-increases shall be preserved, under regulations prescribed by the Postmaster General, for employees whose continuous service is interrupted by service in the armed services."

SEC. 306. Section 3554 of title 39, United States Code, is amended to read as follows:

"**§ 3554. Compensation of certain temporary employees**

"Temporary employees hired for a continuous period of one year or less for a position in the postal field service shall be paid basic compensation at the entrance step of the position to which they are appointed.".

SEC. 307. Section 3559 of title 39, United States Code, is amended to read as follows:

"An employee who is promoted or transferred to a position in the Postal Field Service Schedule which is not more than two levels above the level of the position from which promoted shall be paid basic compensation at the lowest step of the higher salary level which exceeds his existing basic compensation by not less than two steps of the salary level from which promoted or transferred; an employee who is promoted or transferred to a position in the Postal Field Service Schedule which is more than two levels above the level of the position from which promoted shall be paid basic compensation at the lowest step of the higher salary level which exceeds his existing basic compensation by not less than three steps of the salary level from which promoted or transferred. If there is no step in the salary level to which the employee is promoted which exceeds his existing basic compensation by at least the amount of the specified

difference, the employee shall be paid (1) the maximum step of the salary level to which promoted, or (2) his existing basic compensation, whichever is higher.".

SEC. 308. Subsection (a) (2) of section 3560 of title 39, United States Code, is amended to read as follows:

"(2) Basic compensation for the particular route, excluding that portion of such compensation derived from assignment to Classification E of the Rural Carriers Schedule attributable to weekly work requirements in excess of forty hours.".

SEC. 309. Subsection (a) (4) of section 6402 of title 39, United States Code, is amended to read as follows:

"(4) Delivery and collection service may not be established or extended under a star route contract on a rural route except when such route does not meet the minimum standards established by the Postmaster General, and becomes vacant, and,".

SEC. 310. Section 3101 of title 39, United States Code, is amended by deleting paragraphs (5) and (6), and inserting in lieu thereof, the following:

"(5) 'Basic salary' and 'basic compensation' mean the rate of annual or hourly compensation specified by law, exclusive of overtime and night differential.".

SEC. 311. Subsection 3541 (d) of title 39, United States Code, is amended by (a) inserting in paragraph (3) thereof,

after "rural carriers," the phrase "(other than substitute rural carriers,)" and (b) adding a new paragraph (5) as follows:

"(5) To compute the daily rate of basic compensation for substitute rural carriers, the annual rate of compensation shall be divided by 304.".

CONVERSION AS OF THE FIRST PAY PERIOD FOLLOWING JANUARY 1, 1963

Postal Field Service Schedule

SEC. 312. (a) The basic compensation of each employee on the rolls in the Postal Field Service Schedule on the effective date of this schedule shall be determined as follows:

(1) Each employee shall be assigned to the same numerical level and step he was in prior to the effective date of this schedule. If changes in level or step would otherwise occur on the effective date of this schedule without regard to the enactment of this schedule, such changes shall be deemed to have occurred prior to conversion.

(2) In addition to conversion pursuant to paragraph (1) of this subsection, each employee shall be advanced to further steps on account of any longevity steps he may have earned prior to conversion (includ-

ing those which would become effective as of the effective date of this schedule) as follows:

(A) Employees in PFS 1 through 5, one additional step for each longevity step regardless of the step the employee was in prior to conversion.

(B) Employees in PFS 6 through PFS 18: (i) if below step 7 prior to conversion, no credit will be given for existing longevity steps; and, (ii) if in step 7 prior to conversion, one single additional step will be granted.

(C) Employees in PFS 19 and PFS 20, no additional step-increase will be granted.

(3) Credit earned by an employee toward the next step-increase (other than toward longevity steps) prior to the effective date of this schedule shall be creditable under subsection 3552(a) and section 3553 of title 39, United States Code, toward further step-increases if no step-increases were granted pursuant to paragraph (2) of this subsection. Credit earned toward longevity step-increases prior to the effective date of this schedule shall not be creditable toward further step-increases pursuant to subsection 3552(a), and section 3553 of title 39, United States Code.

Rural Carrier Schedule

(b) The basic compensation of each regular and temporary rural carrier on the rolls in the Rural Carrier Schedule on the effective date of this schedule shall be determined as follows:

(1) Each regular or temporary rural carrier shall be placed in the step for the service classification of his route which corresponds to his existing numerical step. For each longevity step attained on or before the effective date of this schedule, such carrier shall be advanced one step in the Rural Carrier Schedule. If changes in basic compensation (including longevity step-increases) would otherwise occur on the effective date of this schedule, without regard to the enactment of this schedule, such changes shall be deemed to have occurred prior to conversion.

(2) Each regular or temporary carrier who, on the effective date of this schedule, has not reached step 7, shall retain credit for advancement to the next step, pursuant to subsection 3552 (a) and section 3553 of title 39, United States Code, if he was not granted a step-increase on account of longevity steps. Credit earned toward longevity step-increases prior to the effective

date of this schedule shall not be creditable toward further step-increases pursuant to subsection 3552(a) of title 39, United States Code.

(3) Nothing in this section shall be deemed to reduce the basic compensation of such regular or temporary rural carriers in effect immediately prior to conversion under this section so long as the rural carrier continues to serve a route with the same or a higher service classification.

Fourth Class Office Schedule

(c) The basic compensation of each postmaster on the rolls in the Fourth Class Office Schedule on the effective date of this schedule shall be determined as follows:

(1) Each postmaster shall be assigned to the same receipts category and numerical step he was in prior to the effective date of this schedule. If changes in receipts category or step would otherwise occur on the effective date of this schedule without regard to the enactment of this schedule, such changes in receipts category or step shall be deemed to have occurred prior to conversion.

(2) Postmasters who, as of the effective date of this schedule, have not reached step 7, shall retain credit for advancement to the next step under subsection 3552(a) and section 3553 of title 39, United States Code, if

no step-increases are granted pursuant to paragraph 3 of this subsection. Credit earned toward longevity step-increases prior to the effective date of this schedule shall not be creditable toward further step-increases under subsection 3552 (a) and section 3553 of title 39, United States Code.

(3) For each longevity step earned prior to the effective date of this schedule postmasters shall be advanced one step.

(d) If the existing basic compensation of any employee in the Postal Field Service Schedule, Rural Carrier Schedule, and Fourth Class Office Schedule is greater than the rate established by subsections (a), (b), and (c) of this section, he shall be placed in the first step which exceeds his existing basic compensation; if the existing basic compensation is greater than any numerical step and service classification, his existing basic compensation shall be established as his basic compensation.

CONVERSION AS OF THE FIRST PAY PERIOD FOLLOWING JANUARY 1, 1964

SEC. 313. The basic compensation of each employee on the rolls in the Postal Field Service Schedule, Rural Carrier Schedule, and Fourth Class Office Schedule on the effective date of this schedule shall be determined as follows:

(1) Each employee shall be assigned to the same

numerical step for his position which he had attained prior to the effective date of this schedule. If changes in levels, service classification, receipts categories, or steps would otherwise occur on the effective date of this schedule without regard to enactment of this schedule, such changes shall be deemed to have occurred prior to conversion.

(2) If existing basic compensation is greater than the rate to which the employee is converted under paragraph (1) of this section, the employee shall be placed in the lowest step which exceeds his basic compensation; if the existing basic compensation exceeds the maximum step of his position, his existing basic compensation shall be established as his basic compensation.

CONVERSION AS OF THE FIRST PAY PERIOD FOLLOWING JANUARY 1, 1965

SEC. 314. The basic compensation of each employee on the rolls in the Postal Field Service Schedule, Rural Carrier Schedule, and Fourth Class Office Schedule on the effective date of this schedule shall be determined as follows:

(1) Each employee shall be assigned to the same numerical step for his position which he had attained prior to the effective date of this schedule. If changes

in levels, service classifications, receipts categories, or steps would otherwise occur on the effective date of this schedule without regard to enactment of this schedule, such changes shall be deemed to have occurred prior to conversion.

(2) If existing basic compensation is greater than the rate to which the employee is converted under paragraph (1) of this section, the employee shall be placed in the lowest step which exceeds his basic compensation; if the existing basic compensation exceeds the maximum step of his position, his existing basic compensation shall be established as his basic compensation.

SEC. 315. Conversions made pursuant to sections 312, 313, and 314 of this title are not subject to the provisions of section 201 of the Act of September 21, 1961 (75 Stat. 569, Public Law 87–270), codified as section 3560 of title 39, United States Code.

SEC. 316. Subsection (b) of section 3335 of title 39 of the United States Code, is amended by adding the following sentence at the end thereof: "Effective as of December 3, 1955, the preceding sentence shall not be deemed to preclude the Postmaster General from adjusting the employee's basic compensation before the performance in each calendar year of 30 days of higher level service."

REPEALS

SEC. 317. Sections 101 through 105 of the Act of July 1, 1960 (74 Stat. 296, Public Law 86–568), and section 3558 of title 39, United States Code, are repealed.

SEC. 318. Title 39 of the United States Code is amended by adding a new section 3106 as follows:

"§ 31d. Special compensation rules

"In order that the basic compensation schedules in sections 3542, 3543, and 3544 of this title may be used equitably and with maximum effect to attract and motivate employees, the Postmaster General may, but need not, prescribe regulations pursuant to which he may:

"(a) Within the limit of available appropriations, grant to any officer or employee before the expiration of the periods prescribed by section 3552, step-increases in recognition of extra competence: *Provided,* That no officer or employee shall be eligible under this section for more than one such additional step-increase within any period of fifty-two weeks, and such increase shall not be considered to be an equivalent increase.

"(b) Appoint any officer or employee at a salary rate above the minimum step of the level when the appointee has extra qualifications for the position or the minimum rate would be less than the current salary of a well-qualified appointee."

CONFORMING AMENDMENT

SEC. 319. (a) The table of contents of chapter 41 of title 39, United States Code, is amended by adding after the heading entitled "EMPLOYEES GENERALLY", the following:

"3106. Special compensation rules".

(b) The table of contents of chapter 45 of title 39, United States Code, is amended by deleting "3558. Longevity step-increases".

EFFECTIVE DATE

SEC. 320. The provisions of this title shall become effective on the first day of the first pay period which begins on or after January 1, 1963.

TITLE IV—DEPARTMENT OF MEDICINE AND SURGERY IN THE VETERANS' ADMINISTRATION

SEC. 401. Section 4103 of title 38 of the United States Code, relating to the appointment and annual salaries of the Chief Medical Director and certain other officers of the Department of Medicine and Surgery of the Veterans' Administration, is amended to read as follows:

"§ 4103. Appointments and compensation

"(a) The Office of the Chief Medical Director shall consist of the Chief Medical Director, one Deputy Chief Medi-

cal Director, not to exceed five Assistant Chief Medical Directors, such Medical Directors as may be designated by the Chief Medical Director to suit the needs of the Department, and such other personnel and employees as may be authorized by this chapter.

"(b) The Chief Medical Director shall be the Chief of the Department of Medicine and Surgery and shall be directly responsible to the Administrator for the operations of the Department. He shall be a qualified doctor of medicine, appointed by the Administrator. During the period of his service as such, the Chief Medical Director shall be paid, effective on the first day of the first pay period beginning on or after—

"January 1, 1963, a salary of $23,000 a year;

"January 1, 1964, a salary of $26,000 a year;

"January 1, 1965, a salary of $28,000 a year.

"(c) The Deputy Chief Medical Director shall be the principal assistant to the Chief Medical Director. He shall be a qualified doctor of medicine, appointed by the Administrator. During the period of his service as such, the Deputy Chief Medical Director shall be paid, effective on the first day of the first pay period beginning on or after—

"January 1, 1963, a salary of $22,245 a year;

"January 1, 1964, a salary of $25,150 a year;

"January 1, 1965, a salary of $27,290 a year.

"(d) Each Assistant Chief Medical Director shall be appointed by the Administrator upon the recommendation of the Chief Medical Director and shall be paid, effective on the first day of the first pay period beginning on or after—

"January 1, 1963, a salary of $20,315 a year;

"January 1, 1964, a salary of $22,740 a year;

"January 1, 1965, a salary of $24,500 a year.

"One Assistant Chief Medical Director shall be a qualified doctor of dental surgery or dental medicine who shall be directly responsible to the Chief Medical Director for the operations of the Dental Service.

"(e) Medical Directors, during their period of service as such, shall be paid effective on the first day of the first pay period beginning on or after—

"January 1, 1963, a salary of $20,180 a year;

"January 1, 1964, a salary of $22,350 a year;

"January 1, 1965, a salary of $23,930 a year.

"(f) The Director of Nursing Service shall be a qualified registered nurse, appointed by the Administrator, and shall be responsible to the Chief Medical Director for the operation of the Nursing Service. During the period of

service as such, the Director of Nursing Service shall be paid effective on the first day of the first pay period beginning on or after:

"January 1, 1963, a salary of $14,495 minimum to $18,815 maximum a year;

"January 1, 1964, a salary of $15,725 minimum to $20,450 maximum a year;

"January 1, 1965, a salary of $16,620 minimum to $21,615 maximum a year.

"(g) The Administrator may appoint a chief pharmacist and a chief dietitian. During the period of his service as such, the chief pharmacist and the chief dietitian shall be paid, effective on the first day of the first pay period beginning on or after:

"January 1, 1963, a salary of $14,495 minimum to $18,815 maximum a year;

"January 1, 1964, a salary of $15,725 minimum to $20,450 maximum a year;

"January 1, 1965, a salary of $16,620 minimum to $21,615 maximum a year.

"(h) Any appointment under this section shall be for a period of four years subject to removal by the Administrator for cause.

"(i) Reappointments may be made for successive like periods."

SEC. 402. Section 4107 of such title 38 relating to the minimum and maximum rates of annual salary of certain physicians, dentists, and nurses of the Department of Medicine and Surgery of the Veterans' Administration is amended to read as follows:

"§ 4107. Grades and pay scales

"(a) (1) Effective on the first day of the first pay period beginning on or after January 1, 1963, the grades and per annum full-pay ranges for positions provided in paragraph (1) of section 4104 of this title shall be as follows:

"PHYSICIAN AND DENTIST SCHEDULE

"Director grade, $16,400 minimum to $19,670 maximum.

"Executive grade, $15,410 minimum to $19,570 maximum.

"Chief grade, $14,495 minimum to $18,815 maximum.

"Senior grade, $12,665 minimum to $16,490 maximum.

"Intermediate grade, $10,965 minimum to $14,250 maximum.

"Full grade, $9,380 minimum to $12,215 maximum.

"Associate grade, $7,960 minimum to $10,345 maximum.

"NURSE SCHEDULE

"Assistant Director grade, $12,665 minimum to $16,490 maximum.

"Chief grade, $10,965 minimum to $14,250 maximum.

"Senior grade, $9,380 minimum to $12,215 maximum.

"Intermediate grade, $7,960 minimum to $10,345 maximum.

"Full grade, $6,675 minimum to $8,700 maximum.

"Associate grade, $5,820 minimum to $7,575 maximum.

"Junior grade, $5,035 minimum to $6,565 maximum.

"(2) Effective on the first day of the first pay period beginning on or after January 1, 1964, the per annum full pay ranges for positions provided in paragraph (1) of section 4104 of this title shall be as follows:

"PHYSICIAN AND DENTIST SCHEDULE

"Director grade, $17,970 minimum to $21,570 maximum.

"Executive grade, $16,830 minimum to $21,310 maximum.

"Chief grade, $15,725 minimum to $20,450 maximum.

"Senior grade, $13,615 minimum to $17,710 maximum.

"Intermediate grade, $11,670 minimum to $15,180 maximum.

"Full grade, $9,910 minimum to $12,880 maximum.

"Associate grade, $8,325 minimum to $10,800 maximum.

"NURSE SCHEDULE

"Assistant Director grade, $13,615 minimum to $17,710 maximum.

"Chief grade, $11,670 minimum to $15,180 maximum.

"Senior grade, $9,910 minimum to $12,880 maximum.

"Intermediate grade, $8,325 minimum to $10,800 maximum.

"Full grade, $6,925 minimum to $8,995 maximum.

"Associate grade, $6,000 minimum to $7,800 maximum.

"Junior grade, $5,165 minimum to $6,695 maximum.

"(3) Effective on the first day of the first pay period beginning on or after January 1, 1965, the per annum full pay range for positions provided in paragraph (1) of section 4104 of this title shall be as follows:

"PHYSICIAN AND DENTIST SCHEDULE

"Director grade, $19,125 minimum to $22,935 maximum.

"Executive grade, $17,835 minimum to $22,595 maximum.

"Chief grade, $16,620 minimum to $21,615 maximum.

"Senior grade, $14,310 minimum to $18,585 maximum.

"Intermediate grade, $12,190 minimum to $15,835 maximum.

"Full grade, $10,270 minimum to $13,375 maximum.

"Associate grade, $8,580 minimum to $11,145 maximum.

"NURSE SCHEDULE

"Assistant director grade, $14,310 minimum to $18,585 maximum.

"Chief grade, $12,190 minimum to $15,835 maximum.

"Senior grade, $10,270 minimum to $13,375 maximum.

"Intermediate grade, $8,580 minimum to $11,145 maximum.

"Full grade, $7,095 minimum to $9,210 maximum.

"Associate grade, $6,115 minimum to $7,960 maximum.

"Junior grade, $5,235 minimum to $6,810 maximum.

"(b) No person may hold the director grade unless he is serving as a director of a hospital, domiciliary, center, or outpatient clinic (independent). No person may hold the executive grade unless he holds the position of chief of staff at a hospital, center, or outpatient clinic (independent), or the position of clinic director, outpatient clinic, or comparable position."

SEC. 403. (a) Section 4108 of such title 38 which formerly prescribed the maximum amount of pay and allow-

ances for medical, surgical, or dental specialists of the Department of Medicine and Surgery of the Veterans' Administration is amended to read as follows:

"§ 4108. Administration

"Notwithstanding any law, Executive order, or regulation, the Administrator shall prescribe by regulation the hours and conditions of employment and leaves of absence of physicians, dentists, and nurses.".

(b) The table of contents of chapter 73 of such title 38 is amended by striking out

"4108. Specialist ratings."

and inserting in lieu thereof

"4108. Administration."

SEC. 404. Section 4111 (b) of such title 38, relating to the annual salary of certain individuals serving as director of a hospital, domiciliary, or center, is amended to read as follows:

"(b) Notwithstanding any other provision of law, the per annum salary rate of each individual serving as a director of a hospital, domiciliary, or center who is not a physician in the medical service shall not be less than the rate of salary which he would receive under section 4107 of this title if his service as a director of a hospital, domiciliary, or center had been service as a physician in the director grade.

"This subsection shall not affect the allocation of any

position of director of a hospital, domiciliary, or center to any grade of the General Schedule of the Classification Act of 1949, except with respect to changes in rate of salary pursuant to the preceding sentence, and shall not affect the applicability of the Performance Rating Act of 1950 to any individual."

SEC. 405. Except as otherwise expressly provided, this title shall become effective on the first day of the first pay period which begins on or after January 1, 1963.

TITLE V—THE FOREIGN SERVICE ACT OF 1946

SHORT TITLE

SEC. 501. This title may be cited as the "Foreign Service Salary Reform Act of 1962".

FOREIGN SERVICE OFFICERS

SEC. 502. The second, third, and fourth sentences of section 412 of the Foreign Service Act of 1946, as amended (22 U.S.C. 867), are amended to read as follows: "Effective on the first day of the first pay period beginning on or after the following dates, the per annum salaries of career ambassador and career minister will be:

	"January 1, 1963	January 1, 1964	January 1, 1965
Career ambassador	$23,000	$26,000	$28,000
Career minister	22,245	25,150	27,290

"On the first day of the first pay period which begins on or after January 1, 1963, the per annum salaries of Foreign Service officers within each of the other classes shall be as follows:

"Class 1	$19,580	$20,235					
Class 2	16,115	16,650	$17,185	$17,720	$18,255	$18,790	$19,325
Class 3	13,275	13,715	14,155	14,595	15,035	15,475	15,915
Class 4	10,965	11,330	11,695	12,060	12,425	12,790	13,155
Class 5	9,115	9,420	9,725	10,030	10,335	10,640	10,945
Class 6	7,645	7,900	8,155	8,410	8,665	8,920	9,175
Class 7	6,475	6,690	6,905	7,120	7,335	7,550	7,765
Class 8	5,540	5,725	5,910	6,095	6,280	6,465	6,650

"On the first day of the first pay period which begins on or after January 1, 1964, the per annum salaries of Foreign Service officers within each of the other classes shall be as follows:

"Class 1	$21,535	$22,250					
Class 2	17,495	18,075	$18,655	$19,235	$19,815	$20,395	$20,975
Class 3	14,245	14,720	15,195	15,670	16,145	16,620	17,095
Class 4	11,670	12,060	12,450	12,840	13,230	13,620	14,010
Class 5	9,625	9,945	10,265	10,585	10,905	11,225	11,545
Class 6	8,000	8,265	8,530	8,795	9,060	9,325	9,590
Class 7	6,705	6,930	7,155	7,380	7,605	7,830	8,055
Class 8	5,695	5,885	6,075	6,265	6,455	6,645	6,835

"On the first day of the first pay period which begins on or after January 1, 1965, the per annum salaries of Foreign Service officers within each of the other classes shall be as follows:

"Class 1	$22,910	$23,675					
Class 2	18,500	19,115	$19,730	$20,345	$20,960	$21,575	$22,190
Class 3	14,970	15,470	15,970	16,470	16,970	17,470	17,970
Class 4	12,190	12,595	13,000	13,405	13,810	14,215	14,620
Class 5	9,970	10,305	10,640	10,975	11,310	11,645	11,980
Class 6	8,240	8,515	8,790	9,065	9,340	9,615	9,890
Class 7	6,870	7,100	7,330	7,560	7,790	8,020	8,250
Class 8	5,795	5,990	6,185	6,380	6,575	6,770	6,965".

FOREIGN SERVICE STAFF OFFICERS AND EMPLOYEES

SEC. 503. Sec. 415 of such Act is amended to read as follows:

"SEC. 415. (a) Effective on the first day of the first pay period which begins on or after January 1, 1963, there shall be ten classes of Foreign Service staff officers and employees, referred to hereafter as staff officers and employees and the per annum salaries of staff officers and employees within each class shall be as follows:

"Class 1	$13,275	$13,715	$14,155	$14,595	$15,035	$15,475	$15,915	$16,355	$16,795	$17,235
Class 2	10,965	11,330	11,695	12,060	12,425	12,790	13,155	13,520	13,885	14,250
Class 3	9,115	9,420	9,725	10,030	10,335	10,640	10,945	11,250	11,555	11,860
Class 4	7,645	7,900	8,155	8,410	8,665	8,920	9,175	9,430	9,685	9,940
Class 5	6,910	7,140	7,370	7,600	7,830	8,060	8,290	8,520	8,750	8,980
Class 6	6,225	6,435	6,645	6,855	7,065	7,275	7,485	7,695	7,905	8,115
Class 7	5,610	5,800	5,990	6,180	6,370	6,560	6,750	6,940	7,130	7,320
Class 8	5,060	5,230	5,400	5,570	5,740	5,910	6,080	6,250	6,420	6,590
Class 9	4,575	4,725	4,875	5,025	5,175	5,325	5,475	5,625	5,775	5,930
Class 10	4,110	4,250	4,390	4,530	4,670	4,825	4,980	5,135	5,290	5,445

"On the first day of the first pay period which begins on or after January 1, 1964, the per annum salaries of staff officers and employees within each class shall be as follows:

"Class 1	$14,245	$14,720	$15,195	$15,670	$16,145	$16,620	$17,095	$17,570	$18,045	$18,520
Class 2	11,670	12,060	12,450	12,840	13,230	13,620	14,010	14,400	14,790	15,180
Class 3	9,625	9,945	10,265	10,585	10,905	11,225	11,545	11,865	12,185	12,505
Class 4	8,000	8,265	8,530	8,795	9,060	9,325	9,590	9,855	10,120	10,385
Class 5	7,170	7,410	7,650	7,890	8,130	8,370	8,610	8,850	9,090	9,330
Class 6	6,435	6,650	6,865	7,080	7,295	7,510	7,725	7,940	8,155	8,370
Class 7	5,770	5,965	6,160	6,355	6,550	6,745	6,940	7,135	7,330	7,525
Class 8	5,180	5,355	5,530	5,705	5,880	6,055	6,230	6,405	6,580	6,755
Class 9	4,655	4,810	4,965	5,120	5,275	5,430	5,585	5,740	5,895	6,050
Class 10	4,175	4,315	4,455	4,595	4,735	4,875	5,020	5,175	5,330	5,485

"On the first day of the first pay period which begins on or after January 1, 1965, the per annum salaries of

staff officers and employees within each class shall be as follows:

"Class 1	$14,970	$15,470	$15,970	$16,470	$16,970	$17,470	$17,970	$18,470	$18,970	$19,470
Class 2	12,190	12,595	13,000	13,405	13,810	14,215	14,620	15,025	15,430	15,835
Class 3	9,970	10,305	10,640	10,975	11,310	11,645	11,980	12,315	12,650	12,985
Class 4	8,240	8,515	8,790	9,065	9,340	9,615	9,890	10,165	10,440	10,715
Class 5	7,360	7,605	7,850	8,095	8,340	8,585	8,830	9,075	9,320	9,565
Class 6	6,580	6,800	7,020	7,240	7,460	7,680	7,900	8,120	8,340	8,560
Class 7	5,890	6,085	6,280	6,475	6,670	6,865	7,060	7,255	7,450	7,645
Class 8	5,270	5,445	5,620	5,795	5,970	6,145	6,320	6,495	6,670	6,845
Class 9	4,715	4,870	5,025	5,180	5,335	5,490	5,645	5,800	5,955	6,110
Class 10	4,215	4,355	4,495	4,635	4,775	4,915	5,060	5,215	5,370	5,525

"SEC. 415. (b) Notwithstanding the provisions of paragraph (a) of this section, the Secretary may, under such regulations as he may prescribe, classify positions at levels below class 10, and establish salary rates therefor at lower rates than those prescribed by this section, for American employees recruited abroad who are not available or are not qualified for transfer to another post and who perform duties of a more routine nature than are generally performed at the class 10 level."

SEC. 504. Foreign Service officers, Reserve officers, and Foreign Service staff officers and employees who are entitled to receive basic compensation immediately prior to the effective date of this title at one of the rates provided by section 412 or 415 of the Foreign Service Act of 1946, shall receive basic compensation on and after the effective date of this title at the rate of their class determined to be appropriate

by the Secretary of State: *Provided,* That staff officers and employees shall be transferred to the new staff classes established by this act as follows:

Present class under section 415 of the Foreign Service Act of 1946	Corresponding new class under section 415 of the Foreign Service Act of 1946, as amended
FSS– 1	FSS– 1
FSS– 2	FSS– 1
FSS– 3	FSS– 2
FSS– 4	FSS– 2
FSS– 5	FSS– 3
FSS– 6	FSS– 3
FSS– 7	FSS– 4
FSS– 8	FSS– 5
FSS– 9	FSS– 6
FSS–10	FSS– 7
FSS–11	FSS– 8
FSS–12	FSS– 9
FSS–13	FSS–10
FSS–14 and below	(1)

[1] Remain at present class and salary rate until revised pursuant to new section 415(b).

CONFORMING AMENDMENTS

SEC. 505. The heading of section 642 of the Foreign Service Act of 1946 is amended by deleting the words "and longevity" and section 642 is amended by deleting "(a)" in the first paragraph and by deleting subsection (b) in its entirety.

EFFECTIVE DATE

SEC. 506. Except as otherwise expressly provided, this title shall become effective on the first day of the first pay period which begins on or after January 1, 1963.

TITLE VI—REPEAL OF SPECIFIC STATUTORY SALARIES

SEC. 601. The following provisions of law are hereby repealed:

(1) That part of the first sentence of section 105(a) of the Civil Rights Act of 1957 (71 Stat. 636; 42 U.S.C. 1975d(a)), relating to the annual salary of the staff director for such Commission, which reads: "and who shall receive compensation at a rate, to be fixed by the President, not in excess of $22,500 a year".

(2) That part of the first sentence of section 3 of the Area Redevelopment Act (75 Stat. 48; — U.S.C. —), relating to the annual salary of the Area Redevelopment Administrator in the Department of Commerce, which reads: "who shall receive compensation at a rate equal to that received by Assistant Secretaries of Commerce".

(3) The second sentence of section 24 of the Arms Control and Disarmament Act (75 Stat. 632; — U.S.C. —), relating to the annual salaries of the four Assistant Directors of such Agency, which reads: "They shall receive compensation at the rate of $20,000 per annum.".

(4) Section 8 of the Food Additives Amendment of 1958 (72 Stat. 1789; 5 U.S.C. 2205, note) fixing the annual salary of the Commissioner of Food and Drugs at $20,000 per annum.

(5) The last proviso in the paragraph under the heading "IMMIGRATION AND NATURALIZATION SERVICE" and under the subheading "SALARIES AND EXPENSES" in the Department of Justice Appropriation Act, 1959 (72 Stat. 251; 5 U.S.C. 2206, note), relating to the annual salary of the Commissioner of the Immigration and Naturalization Service, which reads: ": *Provided further*, That, hereafter, the compensation of the Commissioner of the Immigration and Naturalization Service shall be $20,000 per annum".

(6) The second paragraph in section 3 of title 35 of the United States Code, relating to the annual salaries of certain officers and employees in the Patent Office, Department of Commerce which reads: "The annual rate of compensation of the Commissioner shall be $20,000."

(7) That part of section 201 (f) of the National Aeronautics and Space Act of 1958 (72 Stat. 428; 42 U.S.C. 2471 (f)), relating to the annual salaries of a civilian executive secretary and seven other persons in the National Aeronautics and Space Council, which reads: "and shall receive compensation at the rate of $20,000 a year" and in the second sentence, "or the Classification Act of 1949 and compensated at the rate of not more than $19,000 a year".

(8) The last sentence of section 624 (e) (1) of the Foreign Assistance Act of 1961 (75 Stat. 447; — U.S.C. —), fixing the compensation of certain officials in the Department

of State, which reads: "The Inspector General, Foreign Assistance, shall receive compensation at the rate of $20,000 annually; the Deputy Inspector General, Foreign Assistance, shall receive compensation at the rate of $19,500 annually, and each Assistant Inspector General, Foreign Assistance, shall receive compensation at the rate of $19,000 annually.".

(9) That part of section 201 of Reorganization Plan No. 7, effective August 12, 1961, relating to the annual salary of the Maritime Administrator in the Department of Commerce, which reads: "shall receive a salary at the rate of $20,000 per annum,".

(10) That part of section 202 of the Act of July 1, 1960 (74 Stat. 305; 5 U.S.C. 623g), relating to the annual salary of the Administrative Assistant Secretary of Health, Education, and Welfare, which reads: ", and whose annual rate of basic compensation shall be $19,000". Insert "and" before clause which begins "who shall perform".

(11) Section 308 of title 39 of the United States Code fixing the annual rate of basic compensation of the position of Chief Postal Inspector in the Post Office Department at $19,000.

(12) That part of the first sentence of section 4 of the International Travel Act of 1961 (75 Stat. 130; — U.S.C. —), relating to the annual salary of the Director of the United States Travel Service in the Department of Com-

merce, which reads: "who shall be compensated at the rate of $19,000 per annum,".

(13) Section 14(b) of the Federal Employees Health Benefits Act of 1959 (73 Stat. 716; 5 U.S.C. 3013(b)), which fixes the compensation of the Executive Director of the United States Civil Service Commission at $19,000 per annum.

(14) That part of the first sentence of section 107(c) of the Renegotiation Act of 1951, as amended (73 Stat. 211; 50 U.S.C. App. 1217(c)), relating to the annual salary of the General Counsel of the Renegotiation Board, which reads: ", and shall receive compensation at the rate of $19,000 per annum".

(15) In section 303(a) of title 23 of the United States Code—

(A) that part of the second sentence, relating to the annual salary of the Federal Highway Administrator in the Department of Commerce, which reads: "shall receive basic compensation at the rate prescribed by law for Assistant Secretaries of executive departments and"; and

(B) the last sentence, relating to the annual salary of the Deputy Federal Highway Administrator in such Department, which reads: "The Deputy Federal Highway Administrator shall receive basic compensation at

a rate $1,000 less than the rate provided for the Federal Highway Administrator.".

(16) That part of section 302 (f) of the Federal Aviation Act of 1958, as amended (75 Stat. 791; 49 U.S.C. 1343 (d)), relating to the annual salary of certain officers, employees, attorneys, and agents in the Federal Aviation Agency, which reads: ", except that the Administrator may fix the compensation for not more than twenty-three positions at rates not to exceed $19,500 per annum".

(17) That part of section 2 (d) in Reorganization Plan Numbered 1 of 1958 (72 Stat. 1799; 75 Stat. 630; 23 F.R. 4991), relating to the annual salaries of three Assistant Directors of such Office, which reads: "shall receive compensation at the rate now or hereafter prescribed by law for assistant secretaries of executive departments,".

(18) That part of the Second Supplemental Appropriation Act, 1961, under the heading "DEPARTMENT OF THE INTERIOR" and under the caption "BUREAU OF RECLAMATION" and the subheading "ADMINISTRATIVE PROVISIONS" (74 Stat. 628; Public Law 86–722), relating to the annual salary of the present incumbent of the position of Commissioner of the Bureau of Reclamation, which reads:

"After August 31, 1960, the position of Commissioner of the Bureau of Reclamation shall have the same annual rate of compensation as that provided for

position listed in title 5, United States Code, section 2205 (b), so long as held by the present incumbent.".

(19) That part of the Public Works Appropriation Act, 1962, under the heading "DEPARTMENT OF THE INTERIOR" and under the caption "BONNEVILLE POWER ADMINISTRATION" and the subheading "CONSTRUCTION" (75 Stat. 728; Public Law 87–330), relating to the annual salary of the present incumbent of the position of Administrator, Bonneville Power Administration, which reads:

"After October 1, 1961, the position of Administrator, Bonneville Power Administration, shall have the same annual rate of compensation as that provided for positions listed in section 2205 (b) of title 5, United States Code, so long as held by the present incumbent.".

(20) That part of section 205 of the Public Works Appropriation Act, 1958 (71 Stat. 423; Public Law 85–167), relating to the annual salary of the present incumbent of the position of Administrator of the Southwestern Power Administration in the Department of the Interior, which reads: "the salary of the Administrator of the Southwestern Power Administration shall be the same as the salary of the Administrator of the Bonneville Power Administration, so long as held by the present incumbent;".

(21) The proviso in the first paragraph under the heading "FEDERAL BUREAU OF INVESTIGATION" and under the

subheading "SALARIES AND EXPENSES" in the Department of Justice Appropriation Act, 1962 (75 Stat. 552; Public Law 87–264), relating to the annual salary of the present incumbent of the position of Director of the Federal Bureau of Investigation, which reads: ": *Provided,* That the compensation of the Director of the Bureau shall be $22,000 per annum so long as the position is held by the present incumbent".

(22) That part of section 7801 (b) (2) of the Internal Revenue Code of 1954, as amended, relating to the annual salary of the Assistant General Counsel of the Treasury Department, which reads: "and shall receive basic compensation at the annual rate of $19,000".

SEC. 602. (a) Section 104 (a) of the Federal Executive Pay Act of 1956, as amended (5 U.S.C. 2203 (a)) providing annual compensation of $21,000 for certain positions, is amended by striking out the following paragraphs:

"(1) Commissioner of Internal Revenue."; and

"(3) Director of the Federal Bureau of Investigation.".

(b) Section 104 (b) of such Act (5 U.S.C. 2203 (b)), which provides annual compensation of $22,000 for the present incumbent of the position of Director of the Federal Bureau of Investigation, is hereby repealed.

(c) Section 106 (a) of such Act (5 U.S.C. 2205 (a))

which provides annual compensation of $20,000 for certain positions, is amended by striking out the following paragraphs:

"(1) Administrator, Bureau of Security and Consular Affairs, Department of State.";

"(3) Administrator, Commodity Stabilization Service.";

"(4) Administrator of the Rural Electrification Administration.";

"(7) Administrator, Wage and Hour and Public Contracts Division, Department of Labor.";

"(8) Archivist of the United States.";

"(22) Associate Director of the Federal Bureau of Investigation.";

"(23) Chairman of the Military Liaison Committee to the Atomic Energy Commission, Department of Defense.";

"(24) Commissioner, Community Facilities, Housing and Home Finance Agency.";

"(25) Commissioner, Federal Housing Administration.";

"(26) Commissioner, Public Housing Administration.";

"(27) Commissioner, Urban Renewal Administration.";

"(32) Director of the Bureau of Prisons.";

"(39) President of the Federal National Mortgage Association.";

"(41) Special Assistant to the Secretary (Health and Medical Affairs), Department of Health, Education, and Welfare.";

"(46) Commissioner of Social Security.";

"(47) Commissioner of Education.";

"(48) General Counsel, General Accounting Office.";

"(48) General Counsel, United States Arms Control and Disarmament Agency."; and

"(49) Public Affairs Advisor, United States Arms Control and Disarmament Agency.".

(d) Section 106(b) of such Act (5 U.S.C. 2205(b)), which provides annual compensation of $19,000 for certain positions, is amended by striking out the following paragraphs:

"(2) Assistant to the Director of the Federal Bureau of Investigation.";

"(10) Deputy Commissioner of the Internal Revenue Service.";

"(11) Chief Counsel of the Internal Revenue Service.";

"(12) Administrative Assistant Attorney General.";

"(13) Administrative Assistant Secretary of the Interior.";

"(14) Administrative Assistant Secretary of Agriculture.";

"(15) Administrative Assistant Secretary of Labor.";

"(16) Administrative Assistant Secretary of the Treasury.";

"(17) Administrator, Farmers Home Administration.";

"(18) Administrator, Soil Conservation Service, Department of Agriculture.";

"(19) Chief Forester of the Forest Service, Department of Agriculture.";

"(20) Commissioner of Customs.";

"(21) Manager, Federal Crop Insurance Corporation, Department of Agriculture."; and

"(22) Deputy Administrator, Small Business Administration (4).".

(e) The Atomic Energy Act of 1954, as amended, is further amended as follows:

(1) In the last sentence of section 24a. (71 Stat. 612; 42 U.S.C. 2034 (a)), relating to the annual salary

of the General Manager of such Commission, by striking out that part which reads: ", but not in excess of $22,000 per annum";

(2) In the last sentence of section 24b. (71 Stat. 612; 42 U.S.C. 2034 (b)), relating to the annual salary of the Deputy General Manager of such Commission, by striking out that part which reads: ", but not in excess of $20,500 per annum";

(3) In the last sentence of section 24c. (71 Stat. 612; 42 U.S.C. 2034 (c)), relating to the annual salaries of the Assistant General Managers (or their equivalents) of such Commission, by striking out that part which reads: ", but not in excess of $20,000 per annum";

(4) In the second sentence of section 25a. (68 Stat. 927, 71 Stat. 612; 42 U.S.C. 2035 (a)), relating to the annual salaries of certain division directors in such Commission, by striking out that part which reads: ", but not in excess of $19,000 per annum";

(5) In section 25b. (71 Stat. 612; 42 U.S.C. 2035 (b)), relating to the annual salary of the General Counsel of such Commission, by striking out that part which reads: ", but not in excess of $19,500 per annum";

(6) In the first sentence of section 25c. (68 Stat.

927, 71 Stat. 612; 42 U.S.C. 2035(c)), relating to the annual salary of the Director of the Inspection Division in such Commission, by striking out that part which reads: ", but not in excess of $19,000 per annum";

(7) In the last sentence of section 25d. (71 Stat. 612; 42 U.S.C. 2035(d)), relating to the annual salaries of certain executive management positions in such Commission, by striking out that part which reads: ", but not in excess of $19,000 per annum"; and

(8) In the second sentence of section 28 (68 Stat. 926; 42 U.S.C. 2038), relating to the compensation of the active member of the Armed Forces serving as Director of the Division of Military Application in such Commission, by striking out the words "in section 25" and inserting in lieu thereof "under section 25".

(f) Section 2 of the Act of July 30, 1946, as amended (60 Stat. 712, 70 Stat. 740; 22 U.S.C. 287n), relating to the compensation of United States representatives and alternates to the United Nations Educational, Scientific, and Cultural Organization, is further amended by striking out that part of the third sentence which reads: "at such rates, not to exceed $15,000 per annum," and inserting in lieu thereof "at one of the rates of pay provided by section 412 of the Foreign Service Act of 1946, as amended,".

SEC. 603. Except as provided by subsections (e) and (f) of section 602 of this title, each position specifically referred to in or covered by any amendment made by sections 601 and 602 of this title shall be placed in the appropriate grade of the General Schedule of the Classification Act of 1949, as amended, in accordance with the provisions of such Act.

SAVINGS PROVISIONS

SEC. 604. (a) The changes in existing law made by this title shall not affect any position existing immediately prior to the effective date of any such changes in existing law, the compensation attached to such position, and any incumbent thereof, his appointment thereto, and his entitlement to receive the compensation attached thereto, until appropriate action is taken in accordance with this title.

(b) The incumbent of each such position immediately prior to the effective date of this title shall continue to receive the rate of basic compensation which he was receiving immediately prior to such effective date until he leaves such position or until he is entitled to receive compensation at a higher rate in accordance with law. When such incumbent leaves such position, the rate of basic compensation of each subsequent appointee to such position shall be determined in accordance with the Classification Act of 1949, as amended, or other appropriate law.

EFFECTIVE DATE

SEC. 605. The provisions of this title shall become effective on the first day of the first pay period which begins on or after January 1, 1963.

TITLE VII—MISCELLANEOUS PROVISIONS

REVISION OF SALARY LIMITATIONS FOR CERTAIN SCIENTIFIC AND PROFESSIONAL POSITIONS

SEC. 701. Section 2(b) of the Act of August 1, 1947 (Public Law 313, Eightieth Congress, as amended (75 Stat. 789; 5 U.S.C. 1161–1163)), relating to the rates of compensation of certain scientific or professional positions, is amended to read as follows:

"(b) The per annum rates of compensation for positions established pursuant to the provisions of this Act shall not be less than the minimum rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act.".

SEC. 702. Section 1581(b) of title 10 of the United States Code, relating to the rates of compensation of certain scientific or professional positions in the Department of Defense, is amended to read as follows:

"(b) Subject to the Civil Service Commission's approval as to rates, the Secretary may fix the compensation for positions established under subsection (a). However, the

per annum compensation may not be less than the minimum rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act.".

SEC. 703. The proviso contained in the first sentence of section 208(g) of the Public Health Service Act, as amended (42 U.S.C. 210(g)), relating to the rates of compensation of certain scientific, professional, and administrative personnel in the Public Health Service, is amended to read as follows: ": *Provided*, That the rates of compensation for positions established pursuant to the provisions of this subsection shall not be less than the minimum rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act, and shall be subject to the approval of the Civil Service Commission.".

SEC. 704. The proviso contained in the second sentence of section 12 of the Act of May 29, 1884 (62 Stat. 198 as amended and supplemented; 21 U.S.C. 113a), authorizing the Secretary of Agriculture to employ and fix the compensation of technical experts and scientists for research and study of foot-and-mouth disease and other animal diseases, is amended to read as follows: ": *Provided*, That the number so employed shall not exceed five and that the maximum compensation for each shall not exceed the highest rate of

grade 18 of the General Schedule of the Classification Act of 1949, as amended.".

SEC. 705. Section 203 (b) (2) of the National Aeronautics and Space Act of 1958 (72 Stat. 429; 42 U.S.C. 2473 (b) (2)), as amended, authorizing the Administrator of the National Aeronautics and Space Administration to establish and fix the compensation of four hundred and twenty-five scientific, engineering, and administrative positions, is amended by striking out, in the second sentence, ", except that (A) to the extent the Administrator deems such action necessary to the discharge of his responsibilities, he may appoint and fix the compensation (up to a limit of $19,000 a year, or up to a limit of $21,000 a year for a maximum of thirty positions) of" and by inserting in lieu thereof ", except that (A) to the extent the Administrator deems such action necessary to the discharge of his responsibilities, he may appoint and fix the compensation (at not to exceed the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended, or, for a maximum of thirty positions, up to the highest rate of grade 18 of the General Schedule of the Classification Act, which will be in effect on or after January 1, 1965) of".

SEC. 706. That part of the proviso in section 161d. of the Atomic Energy Act of 1954, as amended (71 Stat. 613; 42 U.S.C. 2201), fixing a limit of $19,000 on the

compensation of scientific and technical personnel, is amended by striking out the words "up to a limit of $19,000)" and inserting in lieu thereof "up to a limit of the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended)".

EFFECTIVE DATE

SEC. 707. The foregoing provisions of this title shall become effective on the first day of the first pay period which begins on or after January 1, 1963.

87TH CONGRESS
2D SESSION

H. R. 10480

A BILL

To reform the major statutory salary systems of the Federal Government; to establish appropriate relationships among them; to adopt and apply the principle of Government-private enterprise salary comparability; and for other purposes.

By Mr. MURRAY

FEBRUARY 28, 1962
Referred to the Committee on Post Office and Civil Service

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued August 3, 1962
For actions of August 2, 1962
87th-2d, No. 134

CONTENTS

Adjournment.....7
Appropriations.....19,20
Area redevelopment.....19
Congressional Record.....3
Contracts.....17
Cotton textiles.....13
Electrification.....23
Estes case.....16
Farm commodities.....13
Farm income.....14
Feed grains.....15
Foreign aid.....22,25
Foreign trade.....13
Forest products.....9,27
Forest Service.....6,8,9
Hampton P. Fulmer.....28
Legislative program.....6
Life insurance.....10
Lumber.....9,13,27
Manpower.....19
Mining.....26
Pay.....2,11
Personnel.....2,10,11
Prices.....5
Purchasing.....18
Quality stabilization....5
Reclamation.....21
Research.....6,17
Retirement.....10
Rice.....1
Science.....6
Transportation costs.18,24
United Nations.....12
Veterans benefits.....4
Wetlands.....8
Wheat.....8

HIGHLIGHTS: Sen. Proxmire commended present feed grains program. Senate committee reported bills to extend International Wheat Agreement and to facilitate work of Forest Service. Senate committee voted to report bill to aid domestic lumber industry. Senate committee voted to report bill for retirement credit for certain Federal-State cooperative service. Sen. Hruska criticized increased fees of European Common Market on farm imports. Sens. Bush and Muskie submitted amendments to be proposed to foreign trade bill. Sen. Proxmire expressed concern over decrease in farm income. Sen. Hickenlooper inserted Sen. Mundt's radio interview remarks on Estes case. Senate agreed to conference report on Labor-HEW appropriation bill. House committee voted to report pay bill. House subcommittee voted to report bill to provide for nutritional enrichment of rice.

HOUSE

1. RICE. The Subcommittee on Oil Seeds and Rice of the Agriculture Committee voted to report to the full committee S. 3152, to provide for the nutritional enrichment and sanitary packaging of rice prior to its distribution under the national school lunch program and other domestic distribution and welfare-type programs. p. D674

2. PERSONNEL; PAY. The "Daily Digest" states that the Post Office and Civil Service Committee "Met in executive session and ordered reported favorably to the House H. R. 9531 (Morrison amendment), to provide for improvement in the statutory salary systems of the Federal Government; to adopt and apply the principle of Government-private enterprise salary comparability." p. D675

3. CONGRESSIONAL RECORD. Agreed to without amendment H. Con. Res. 497, authorizing the Joint Committee on Printing to conduct a study of the Congressional Record with a view to improving its format, index, typography, etc. (pp. 14346-7). Earlier, the House Administration Committee reported this resolution without amendment (H. Rept. 2119). p. 14360

4. VETERANS. The Veterans Affairs Committee reported with amendment H. R. 9962, to provide an extension of the period within which certain educational programs must be begun and completed in the case of persons called to active duty during the Berlin crisis (H. Rept. 2130). p. 14360

5. QUALITY STABILIZATION. The Subcommittee on Commerce and Finance of the Interstate and Foreign Commerce Committee voted to report to the full committee with amendment H. J. Res. 636, to amend the Federal Trade Commission Act so as to promote quality and price stabilization. p. D675

6. LEGISLATIVE PROGRAM. Rep. Albert announced the following legislative program: Mon., the Consent Calendar will be called and the following bills will be considered under suspension of the rules; H. R. 4055, science monetary award medals; H. R. 12688, authorize forestry research; H. R. 9728, increased appropriation, Cooperative Forest Management Act; and S. 3064, Forests, national survey. p. 14348

7. ADJOURNED until Mon., Aug. 6. p. 14360

SENATE

8. AGRICULTURE AND FORESTRY COMMITTEE reported the following bills: p. 14364

S. 3574, without amendment, to extend the authority granted under the International Wheat Agreement Act to cover any new or revised wheat agreement (S. Rept. 1804).

S. 3235, without amendment, to facilitate the work of the Forest Service (S. Rept. 1803). See Digest 62-63 for summary of provisions of this bill.

H. R. 8520, with amendments, to limit Federal financial and technical assistance for the drainage of certain wetlands (S. Rept. 1805).

9. FORESTRY. The Commerce Committee voted to report with amendment (but did not actually report) S. 3517, to authorize the Secretary of Commerce to establish and carry out a program to promote the flow of domestically produced lumber in commerce, and "an original bill to encourage the movement of lumber in interstate commerce (introduced in lieu of S. 2737 and S. 3105)." p. D672

10. POST OFFICE AND CIVIL SERVICE COMMITTEE voted to report (but did not actually report) the following bills: p. D673

S. 2363, to allow civil service retirement credit to certain Federal employees for service in certain Federal-State cooperative programs.

S. 3164, with amendment, to increase from 18 to 21 the eligibility age of surviving children to receive benefits of Civil Service Retirement Act.

S. 2937, with amendment, to amend the Civil Service Retirement Act so as to provide for increases in certain annuities, eliminate the option with respect to certain survivor annuities, etc.

H. R. 8564, to provide for the escheat of unclaimed payments under the Government life insurance program to the credit of the life insurance fund.

11. PERSONNEL; PAY. Received from the Joint Committee on Reduction of Nonessential Federal Expenditures the report on Federal employment and pay for June. pp. 14364-9

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued Sept 25, 1962
For actions of Sept 24, 1962
87th-2d, No. 172

CONTENTS

Agricultural appropriations.....8
Appropriations...3,8,13,29
ASC committees.....1,24
Conservation.....22
Cuba.....18,20
Decentralization.....7
Drugs.....4
Employment.....6
Expenditures.....23
Farm program.....10
Feed grain.....10
Foreign aid.....26
Foreign trade.....20
Forestry.....11,27
Labeling.....28
Legislative proposals...30
Lumber.....2,12,25
Marketing.....28
National parks.....11,27
Patents.....16
Pay increase.....9
Personnel.....6,9
Postal rates.....9
Retirement.....9
Surplus property.....5,19
Trademarks.....15
Transportation.....12
Virgin Islands.....17
Watersheds.....14

HIGHLIGHTS: Senate requested further conference with House on agricultural appropriation bill. Sen. Proxmire criticized conference report on farm bill. Senate committee reported pay bill. Sen. Morse inserted his speech expressing concern over lumber imports. Rep. Norblad criticized lumber imports. Rep. Matthews commended ASC committeemen.

HOUSE

1. ASC COMMITTEES. Rep. Matthews commended the ASC committeemen saying, "Congress should give a general round of applause for America's farmer-elected ASC committeemen--the frontline men of this Nation's great agricultural complex." pp. 19411-2

2. LUMBER. Rep. Norblad criticized the importation of Canadian lumber and urged action to limit such imports. p. 19411

3. INDEPENDENT OFFICES APPROPRIATION BILL, 1963. Further conferees were appointed on certain Senate amendments to this bill, H. R. 12711. Senate conferees have already been appointed. p. 19355

4. DRUGS. The Interstate and Foreign Commerce Committee reported on Sept. 22 (during adjournment of the House) with amendment H. R. 11581, the proposed Drug and Factory Inspection Amendments of 1962 (H. Rept. 2464). Received on Sept. 24 a supplemental report on this bill (H. Rept. 2464, pt. 2). p. 19417

5. SURPLUS PROPERTY. Passed as reported H. R. 11378, to amend the Federal Property and Administrative Services Act of 1949 so as to permit donations of surplus property to schools for the mentally retarded, schools for the physically handicapped, radio and television stations licensed by the FCC as educational radio or educational television stations, and public libraries. p. 19403

6. PERSONNEL. Rep. Beckworth inserted correspondence and articles regarding summer employment by Federal agencies in the Washington, D.C. area and urged enactment of legislation to extend the apportionment requirement in the Civil Service Act to temporary summer employment. pp. 19412-5

7. DECENTRALIZATION. The Government Operations Committee approved a report, "Criteria for Decentralizing Federal Activities from the Nation's Capital." p. D884

SENATE

8. ACRICULTURAL APPROPRIATION BILL, 1963. Agreed to the conference report on this bill, H. R. 12648, and insisted on certain amendments in disagreement (p. 19315). Concurred in the House amendment to the Senate amendment to provide that not to exceed $225,000 shall be transferred by the Secretary from other appropriations available to the Department for the expenses of the Office of Internal Audit and Inspection (p. 19315). Insisted on the Senate amendments 1,19,44,47,48,49,50,51,52,53, and 54 (see Digest 168 for a summary of these amendments)(p. 19315). By a vote of 77 to 0, insisted on amendments 2 (relating to research and demonstration on the production and utilization of agricultural products) and 6 (relating to construction of ARS research facilities) (pp. 19315-7). Requested a further conference with the House on the items in disagreement, and conferees were appointed (p. 19317).

9. PERSONNEL; POSTAL RATES. The Post Office and Civil Service Committee reported with amendment H. R. 7927, the Federal pay and postal-rate increase bill (S. Rept. 2120)(p.19262). The "Daily Digest" includes the following statement regarding the bill as reported:

"The bill, as approved by the committee, would provide an estimated $603 million annual additional revenue from postal rate increases, derived from (1) increased first-class postal rate to 5 cents, (2) increased airmail rate to 8 cents, (3) in second-class mail, three annual 4-percent increases in editorial content, and three annual 10-percent increases in advertising content, and (4) increases in third- and fourth-class mail.

"With regard to Federal employees' pay increases, the bill would (1) provide upon enactment an average of 5.5-percent increase for classified workers and an additional 4.1-percent increase on January 1, 1964, (2) provide upon enactment an average of 8.6-percent increase for postal workers, and an additional 2.6-percent increase on January 1, 1964, and (3) provide upon enactment a 7-percent increase for legislative employees.

" ...

"Also, committee adopted an amendment which would include in the bill the text of S. 2937, to provide increases in civil service retirement annuities." (p. D883)

10. FARM PROGRAM. Sen. Proxmire discussed the farm bill as reported out of conference, expressed reservations over the feed-grain provisions, urged the Secretary "to undertake wide-ranging studies of alternative feed grain programs for the years following 1963," and contended that the bill "would result in a cost twice as high for the taxpayers as the cost would have been under the bill which previously was passed by the Senate." pp. 19324-6

Calendar No. 2086

87TH CONGRESS, 2d Session } SENATE { REPORT No. 2120

POSTAL SERVICE AND FEDERAL EMPLOYEES SALARY

September 24, 1962.—Ordered to be printed

Mr. JOHNSTON, from the Committee on Post Office and Civil Service, submitted the following

REPORT

Together with
INDIVIDUAL VIEWS

[To accompany H.R. 7927]

The Committee on Post Office and Civil Service, to whom was referred the bill (H.R. 7927) to adjust postal rates, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

AMENDMENT

The committee amendment strikes out all of the bill after the enacting clause and substitutes therefor a new bill which appears in the reported bill in italic type.

STATEMENT

This is one of the most far-reaching, comprehensive and complex measures ever reported by the Committee on Post Office and Civil Service. It will have an effect on every user of the mails, the future of the postal service and the welfare of every Federal employee both at home and abroad.

The postal provisions of the bill, as reported, have as a background years of committee work aided by an extensive study and report by an Advisory Council appointed pursuant to Senate Resolution 49 by Senator Carlson (83d Cong., 1st sess.) and a further study by a Citizens' Advisory Council under Senator Johnston during the 85th Congress in addition to months of public hearings held by the full committee during the current session of the 87th Congress.

89575—62——1

The pay provisions of the bill, as reported, are the result of long studies by the previous and present administrations followed by extensive hearings extending over a period of many months.

The bill, as reported, has three broad and important objectives:

First, it is designed to carry out the recommendations of the President for upward adjustments in postage rates sufficient in size to materially reduce the postal deficit.

Second, the bill puts into effect to the extent deemed appropriate at this time the principal aspects of the President's recommendations for needed reforms in the major statutory pay systems in the Federal service.

Third, the bill provides an increase in the benefits of persons now on the retirement rolls.

Summary

A. POSTAL REVENUES ON DOMESTIC MAIL

[Exclusive of parcel post, catalogs, and other matter the rates for which are not fixed by Congress]

Class of mail	Revenue, 1961	Additional revenue provided [1]
1st class	$1,558,000,000	$437,800,000
Airmail	170,800,000	21,200,000
2d class	89,000,000	26,600,000
Controlled circulation	8,200,000	1,000,000
3d class	497,500,000	97,200,000
4th class (except parcel post and catalogs)	30,000,000	1,000,000
Governmental mail	89,700,000	21,000,000
Miscellaneous	----------	200,000
Mix adjustment	----------	−3,000,000
Total	2,443,200,000	603,000,000

[1] When all provisions of bill are fully effective. The rate changes are explained fully in the sectional analysis which appears later in this report.

B. COMPARISON OF ESTIMATED COST COVERAGE

[1963 volume basis]

Mail class	Without public service			With public service		
	Current rates	H.R. 7927	Senate amendment	Current rates [2]	H.R. 7927	Senate amendment [3]
1st class	100.4	125.1	125.2	100.4	125.1	127.4
Airmail	112.8	122.5	124.7	112.8	122.5	127.0
2d class	21.3	32.3	26.8	23.0	42.3	35.1
Controlled circulation	63.9	71.9	70.0	63.9	71.9	71.3
3d class	63.1	83.2	75.1	65.6	89.7	82.1
Educational material	52.0	52.0	53.7	100.0	100.0	100.0

[2] Public services on a revenue forgone basis.

[3] Includes "total loss" public service plus $81,400,000 of public service to reflect a portion of the cost of small post offices and rural routes, as proposed in the Senate amendment. The $81,400,000 spread to all mails and services in direct proportion to their estimated fully allocated costs for fiscal 1963.

Cost Ascertainment and Mail Classification Study

The committee unanimously agrees that, before another adjustment in postal rates takes place, the Congress should develop, through its appropriate committees, more exact data on mail classification, postal costs, and processes having to do with greater use of machines in mail handling.

A thorough and detailed study should be made of present postal cost ascertainment methods in order to bring about such improvements

in existing methods as may be necessary to provide the kind and quality of data needed by the Congress to enable it, in carrying out its postal ratemaking function, to provide rates which will be both equitable to users of the postal services and provide revenues adequate to maintain such services. It is necessary and desirable, in making such studies, to ascertain the extent, if any, to which changes should be made in existing classes and categories into which mail matter is divided and in policies and methods relating to the classification of mail. Since these factors have great bearing on postal efficiencies and costs, their study should be commenced during calendar year 1963.

Federal Salary Reform Act of 1962

INTRODUCTION

Part II of the bill reforms and increases salaries of four Federal statutory systems: those for employees paid under the Classification Act, the Postal Field Service Compensation Act, and the Foreign Service Act, and for physicians, dentists, and nurses of the Department of Medicine and Surgery of the Veterans' Administration.

The need for immediate and sweeping reformation of the major statutory pay systems for civilian employees of the Federal Government is found in and supported by extensive studies carried out in the executive branch over a long period of time. Altogether, the findings are the product of more than 5 years of virtually continuous study.

A broad salary reform proposal was presented to Congress by the administration early in the current session, accompanied by a strong Presidential message urging adoption of the comparability principle as the standard for Federal salary levels. The committee started hearings last spring which it has just concluded, and has carefully considered all aspects of the comprehensive reforms proposed. The years of study, the President's message, and the hearings have developed the material included in the rather lengthy justification which follows.

REQUISITES OF A FEDERAL PAY SYSTEM

The functions of a public salary system are to control payroll expenditures, with equity to both the employee and the taxpayer, and to support recruitment and retention of the high quality personnel required to carry out Government programs. To meet its responsibility to the public, the salary system must pay enough to permit competent staffing in order not to endanger the national security nor to degrade public service; but it must not pay more than is necessary for this purpose and to provide equity for the employee. To assure fair treatment for the public employee, the salary system must provide equity among Federal employees and between Federal employees and those in private employment. To be adaptable to changing conditions and to stimulate peak performance, the system must provide for executive discretion to meet individual and special needs, to use pay for motivating employees, and to initiate general adjustments as required.

These are the underlying objectives which the salary provisions of the bill are designed to meet.

CONDITIONS THAT NEED CORRECTING

Statutory pay systems have failed to meet the needs of today's Federal service. Absence of an accepted standard for Federal salaries and a procedure for periodic review and adjustment coupled with rigid statutory rules of pay administration, deprive the systems of the adaptability so essential in a period of rapidly changing conditions.

Major inequities exist between the Federal employee and his equals throughout the national economy. Comparison can now be made directly between private salaries and those in the Classification Act, which has a broad occupational coverage having many counterparts in private employment. Findings of the Bureau of Labor Statistics national survey of professional, administrative, technical, and clerical pay reported in 1961 provide the data. This annual survey clearly shows that the greater the level of difficulty and responsibility, the greater the gap between public and private pay. From grade GS–4 upward, private salary averages consistently exceed Federal salaries. At the lower professional levels of GS–7 and GS–9, the difference is quite noticeable. For example:

National average rate in private enterprise	Classification Act rate range		
	Grade	Minimum	Maximum
$6,648	GS–7	$5,355	$6,345
7,776	GS–9	6,435	7,425

At the upper professional levels there is an even greater lag of Federal salaries:

National average rate in private enterprise	Classification Act rate range		
	Grade	Minimum	Maximum
$13,152	GS–13	$10,625	$11,935
15,362	GS–14	12,210	13,510
19,348	GS–15	13,730	15,030

Further evidence of this trend was furnished by the Civil Service Commission's 1960 study of salaries paid in 21 large nationwide firms for personnel, finance, research and development, law, and plant management positions with responsibilities equivalent to those of Federal positions in grades GS–16, GS–17, and GS–18. This study showed these serious disparities:

Federal Government		21 firms, major salary clusters
Grade	Salary range	
GS–16	$15,255–$16,295	$20,000–$30,000
GS–17	16,530– 17,570	27,500– 37,500
GS–18	18,500	32,500– 45,000

Many State and local jurisdictions now have passed the Federal Government's pay rates. For example, California, Georgia, Illinois,

Michigan, New York, Ohio, and Pennsylvania all have career salaries higher than the highest Classification Act and other top statutory salaries. The same is true of Los Angeles City and County, Denver, Detroit, St. Louis, San Francisco, and Philadelphia. In cities with populations over 500,000, city managers average $22,950 and school superintendents average $25,869, about 25 and 40 percent, respectively, above the top Classification Act salary.

Inequities came about and were compounded by past Federal pay raises in the period immediately following World War II, more than 10 years ago, when the Government, like other employers, was faced with a need for immediate action to solve salary problems associated with rapidly rising living costs and other postwar adjustments. These raises compressed the pay spread from the lowest to the highest salary levels. In 1928, the ratio of the highest Classification Act salary to the lowest was 8.8 to 1. By 1945, it had fallen to 6.8 to 1, and today the ratio is 5.8 to 1. The pay increase of July 1945 demonstrates how this has worked. Salaries were increased 20 percent on the first $1,200, 10 percent on the next $3,400, and 5 percent on the remainder. This plan resulted in 20-percent raises at the lowest level and 8.9 percent at the top. Consequently, the ratio of the highest to the lowest salary dropped from 7.5 to 1 down to 6.8 to 1. Unlike those private firms who granted similar increases at the time, the Government has never taken the steps necessary to correct these distortions in its salary schedules. Thus, today there continue in existence glaring inequities between the middle and upper Federal salary levels and salaries paid for comparable levels of work in private employment.

Inequities also exist within Federal systems: for example, inadequate pay distinctions between grade levels, inadequate within-grade pay ranges, and inadequate pay spreads from entry to top career levels.

Normal pay practice in a large corporation permits an employee beginning a professional or management career to look forward to a salary of $35,000 to $40,000 a year if he reaches a level in the organization with responsibilities equivalent to those of GS–18 positions in the Federal service. The top of a pay range for a given level of work is 30 to 35 percent above the minimum rate for the work level; at executive levels the range is more likely to be 50 percent. The better performers advance faster within the range than the merely average performers. An employee who receives a within-grade pay increase generally has his salary advanced from 5 to 10 percent.

The Federal salary spread from the entry professional or administrative level at GS–5 to the top career level at GS–18 is entirely inadequate by modern business standards. From his beginning salary, a Federal employee can see an increase of 4¼ times for a lifetime professional or administrative career, if he is one of the relatively few who reaches the very top. His equals in private employment can expect to increase their beginning salary by six or seven times without having to become corporation president or chairman of the board.

Inequities now exist among the various Federal pay systems; for example, supervisors under the Classification Act system are sometimes paid less than their subordinates who are under a wage board system. This comes about because of lack of coordination between the systems. Wage board rates are based on, and move freely with, prevailing rates in industry while pay levels under the Classification

Act and other systems lack a fixed standard to govern the time and amount of increases.

POLICY AND PRINCIPLES—GENERAL REFORMS

Title I of part II states proposed Federal salary policy, provides for continuing application of the governing principles, and clarifies the role of the executive.

The bill offers a basis for Federal pay reform by the adoption of two principles:

> The comparability principle: Federal salary rates shall be comparable with private enterprise rates for the same levels of work; and
>
> The internal alinement principle: There shall be equal pay for substantially equal work, and pay distinctions shall be maintained in keeping with work and performance distinctions.

Comparability principle

Adoption of this principle will assure equity for the Federal employee with his equals throughout the national economy. Its use will improve the Government's ability to compete with private firms for qualified personnel.

Comparability with private enterprise salary levels provides a long-needed logical and factual standard for setting Federal salaries. It includes the effects of such legitimate pay considerations as cost of living, standard of living, and productivity as those factors are resolved into the going rate over bargaining tables and other salary determining processes throughout the country.

The principle has a history of wide acceptance. Within the Federal Government, it has been used for certain positions over the past 100 years; first applied to Navy yard workers, it is now applied to virtually all Federal trades and crafts workers, to employees of the Tennessee Valley Authority, and to Government work contractors through the Walsh-Healey and Davis-Bacon Acts. It is widely accepted in industry, although many leading firms have adopted the modification of paying better than the competition. State and local governments, as well as some other national governments (such as Canada and the United Kingdom), rely on this principle.

Until recent years, the principle of comparability could not be applied on a nationwide basis because there was no broad, acceptable source of comparative salary data from private enterprise. Now, however, the Bureau of Labor Statistics national survey of professional, administrative, technical, and clerical pay provides annually the requisite data on private enterprise pay. It is the only comprehensive and authoritative survey of its kind, and there are technically valid and established methods for translating the BLS data into Federal comparability pay levels.

Pay comparability would be established between the same levels of work in private enterprise and Government—that is, between levels of work having substantially the same degrees of difficulty, responsibility, and required qualifications. Although survey techniques require ascertaining private enterprise rates by occupation as well as work level, the survey is so designed that the occupational rates at a given work level can be combined into a single rate representing the general

level of private enterprise salaries for a work level equivalent to a Classification Act grade.

As will be explained later, comparability for the more specialized salary systems—postal, Foreign Service, Veterans' Administration medical—will be established by appropriately relating key levels with grades of the Classification Act.

Internal alinement principle

The internal alinement principle rests on the two concepts of equal pay for equal work and pay distinctions in keeping with differences in work and quality of performance. As with the comparability principle, the internal alinement principle is well established, both within and outside the Government. It is stated in the current Classification Act, part III of title 39, United States Code, relating to the postal field service, and the Foreign Service Act; and it is imbedded in public and private enterprise pay practices throughout the country. It is translated through different concepts in different systems, in some cases through evaluation of jobs and in other cases through evaluation of the qualifications of employees, but the same basic concept of internal equity underlies all systems.

The equal pay for equal work part of the internal alinement principle is now in effect and it works well, but pay distinctions for differences in work are not adequate under any of the Government's statutory salary systems.

Proposed schedules would regularize and generally enlarge the differences in salaries between successive grade levels of positions. The new intergrade differentials recognize more appropriately the differences in responsibilities and furnish greater incentives for employees to strive to prepare themselves for higher responsibilities.

The bill would improve the provisions for within-grade increases and would make them more meaningful. The bill recognizes the importance of such increases by making them large enough to serve as material incentives and by allowing sufficient within-grade increases to sustain performance even where all or much of a career is served within a single grade or level.

Essential flexibilities

To maintain Federal salaries at levels comparable with private enterprise levels and to assure that other features of statutory salary systems are corrected and improved as experience shows the need, the bill provides that the President shall require an annual report, from an agency he designates, on the relationship of Federal salaries to those in private enterprise and shall submit an annual report to Congress recommending the adjustments in salary schedules, structure, and policy he considers advisable. This provision is a fundamental feature of the reforms proposed. It establishes a procedure for annual review of salary schedules and for annual adjustment when necessary to maintain the prescribed relationship to private enterprise pay levels. A systematic review of this kind is essential to prevent Federal salary schedules from relapsing to their present conditions.

Appropriate flexibilities would also be provided in use of the salary schedules in effect at any given time.

When it is found that the Government is handicapped in recruiting and retaining well-qualified employees because private enterprise salaries in an occupation or in a given place are substantially higher

than salary rates of statutory schedules, the President or an agency which he designates may set higher pay scales than those in the nationwide Classification Act, postal field service, Veterans' Administration medicine and surgery, or Foreign Service salary schedules. New authorities would permit additional within-grade increases for high-quality performance beyond the within-grade increases earned by length of service.

In accordance with sound management princples and in the interest of coordination among Federal salary systems, the President would be authorized to issue policies and rules, to which would be subject the pay regulations issued by the Civil Service Commission, the Postmaster General, the Administrator of Veterans' Affairs, and the Secretary of State under the several Federal statutory salary systems. Present law fails to contain specific provisions making clear the Chief Executive's responsibilities for salary administration as a part of the general management of the executive branch.

Interrelationship of statutory salary schedules

The BLS survey furnishes private enterprise salary data for occupations which are representative of the Classification Act but not for other Federal pay systems where the majority of jobs have few, if any, counterparts in private enterprise. In order to extend the principle of comparability to other statutory salary systems the bill relates several key levels or ranks of each system with equivalent Classification Act grades. The relationship is based in most cases on an evaluation of duties, responsibilities, and qualifications required but also takes into account other factors which should affect pay, such as career patterns and opportunities for advancement, group characteristics of employees, employment conditions, and special requirements of the service concerned. All relationships were agreed upon by the Bureau of the Budget, the Civil Service Commission, and the department or agency concerned.

For each key level or rank so related to a Classification Act grade, the salary level was established on the basis of the comparability pay rate used for the Classification Act grade. The remainder of the schedule was developed in accordance with the alinement and structure required by internal conditions and needs of the specific service.

REFORMS RECOMMENDED BY THE PRESIDENT

The bill incorporates the major reforms in salary systems recommended by the President to the Congress.

It includes his proposed policy and principles for salary systems and the highly important proposal for annual salary reviews based on nationwide surveys by the Bureau of Labor Statistics of salaries in private enterprise. It authorizes the President to adjust salary ranges (up to the seventh rate of the range) when necessary for the Government to compete for competent personnel in situations of short supply. The bill also includes many of the specific reforms proposed in the individual salary systems.

Although a number of the proposed ranges have been reduced somewhat, the Classification Act structure would have more regularized salary ranges for most grades, with each of the first three within-grade increases after a waiting period of 1 year, each of the next three within-grade increases after a 2-year waiting period, and each addi-

tional within-grade increase after a waiting period of 3 years. Desired flexibility in salary administration would be supplied through new authority for speeded-up within-grade increases for high quality performance, and for paying a supervisor more than wage-board employees under his supervision. Employees would also be assured on promotion of a salary increase at least equivalent to two within-grade increases, rather than the one assured under present law.

Most of the reforms proposed for the postal field service system are in the bill. One notable exception is the salary schedule for rural carriers. The bill would maintain the existing rural carrier pay plan for the present, but the entire rural carrier situation is to be studied and Congress is to be given a full report, with recommendations for action, by the Postmaster General.

The bill also maintains the current 1 year waiting periods for the first seven increases within levels PFS–1 through PFS–6, although it accepts the proposal for graduated waiting periods like those proposed for the Classification Act, at higher levels. The improved system of additional within-level increases after 3 years each is also included in place of the smaller and longer delayed longevity increases under present law. The bill also extends to all postal levels, not merely the lower ones, full salary credit for all longevities earned under the former system on conversion to the new system. Authority to speed up step increases in recognition of extra competence is also provided, paralleling similar reforms in the Classification Act system. Guaranteed minimum increases on promotion are made similar to those proposed for the Classification Act.

Substantial reforms are made in the salary structures for medical, dental, and nursing positions in the Department of Medicine and Surgery of the Veterans' Administration and for the Foreign Service under the Department of State, as recommended by the President.

Special salary authorizations for certain departments and agencies, principally for specified numbers of scientists and engineers, are geared to the top rate of GS–18 as a ceiling, so that they will be able to advance automatically, without a series of legislative actions, whenever the top levels of the Classification Act schedule are adjusted.

The bill also provides for adjustments in salaries of agricultural stabilization and conservation county committee employees and of employees in the judicial and legislative branches.

SALARY INCREASES

The committee has substantially revised the salary schedules and effective dates proposed by the President, and has postponed consideration of reforms proposed at the higher executive levels.

The higher salary levels have been scaled down, with the objective of maintaining the principle of comparability with private enterprise salaries only through grade 15 of the Classification Act and equivalent salary levels of other systems at this time. The final salary adjustments in the bill give effect to the recommendations of the President up to grade GS–8 of the Classification Act and similar salary levels of other systems. Salaries at grade GS–8 and above, or equivalent levels, are increasingly reduced; for example, by about $80 at GS–9, by about $335 at GS–12, and by about $1,075 at GS–15. No final adjustment is provided at grades GS–16, 17, and 18, or equivalent salary ranges

of other systems; consideration will be given to comparability salaries for these grades in a study to be made of the entire problem of Federal executives pay.

Salary increases would take effect in two stages, the first effective on enactment of the bill and the final stage in January 1964. This compares with the three-phase program of the President, with increases effective in January 1963, 1964, and 1965, and accordingly the initial increases have been made somewhat larger. In addition to the increases resulting from raising the postal field service salary schedules, postal employees in PFS–1 through PFS–4 and rural carriers would receive one extra step-increase on the application of the new salary schedule to take effect on enactment of this bill. Similarly Classification Act employees in grades GS–1, 2, and 3 would receive one extra step-increase upon conversion to the new salary schedule. This measure provides a salary increase for employees at these levels substantially larger than proposed by the administration, without thereby disturbing the Administration's comparability salary schedule at these levels.

UNFINISHED REFORM

It is recognized that the bill stops short of the full reform proposed by the President and does not solve the pressing problem of salaries at the higher executive levels. New grades GS–19 and GS–20 proposed for the Classification Act by the administration's bill have been eliminated and the bureau head and other positions proposed to be brought under the act and placed in these grades have been left at their present inadequate salaries. No salary increases are provided for the Deputy Chief Medical Director or Chief Medical Director of the Veterans' Administration Department of Medicine and Surgery, or career ministers and career ambassadors under the Foreign Service. The administration's proposal would have set rates for these positions identical with those proposed for GS–19 and GS–20.

The committee does not disagree with the objectives of the administration's bill in these respects. Rather than establishing grades GS–19 and GS–20, however, the committee believes that appropriate salary levels for the relatively few career positions of this order can be determined in a more appropriate manner if done in conjunction with a reform of top level executive salaries which were not included in the proposals submitted by the President and a consideration of the executive pay problem in its full dimensions at one time rather than by treating one part now and the rest later.

The administration was aware of the fact that salaries it proposed for top career positions would raise the pay of a number of civil servants to a level above that paid to their chiefs in Cabinet, subcabinet and similar positions. In his message of February 20, 1962, relative to salary reform the President recognized that the salary level of these top executives has been quite properly related with the salary level of Congress, and that in his opinion both were inadequate. He indicated that representatives of the executive branch stand ready to cooperate with the Congress in determining what executive and congressional pay scales would be appropriate.

Consequently the committee urges the President to recommend for consideration at the next session of Congress appropriate increases in Federal executive salaries at all levels. Such a recommendation should include salaries for all ranks up through the level of heads of

executive departments. In addition, it should include proposals for a rational relationship between executive salaries under the Executive Pay Act and those under other Federal schedules.

Because of the relation of salaries at these grades to the total problem of executive salaries, only a first step toward private-enterprise-equivalent salary levels for grades GS–16, GS–17, and GS–18, and for similar grade ranges of other salary systems, is taken in the bill. Thus, the salary schedules to become effective in January 1964 do not include adjustments for these grades, which will have to be supplied before the effective date of these schedules.

Although the President recommended removal of all numerical limitations on the top grades of the Classification Act, the committee is not prepared to recommend such action at this time. Rather, as a temporary solution, it is proposing an immediate increase of 411 in the number of GS–16, GS–17, and GS–18 positions authorized and exclusion of positions in certain critical occupations—physical and natural scientists, engineers engaged in research and development, and those in the field of medicine—from numerical limitations. At the same time, a few positions under existing special authorities are being brought under the general numerical limitation.

FISCAL PICTURE

The annual cost of the final phase of the pay reform recommended by the President was $1,059 million. The bill reduces the final annual cost to $1,049 million. This reduction was made in spite of an increase of $97 million in the pay of present employees in the lower levels of the postal field service and the Classification Act.

The first-phase cost of this bill (fiscal year 1963) will be $504 million, as compared with $224 million which the administration's proposal would have cost. The increase results from (1) the adoption of a two-phase approach to comparability, which required putting approximately half of the final-phase increases into the first phase, (2) the granting of a one-step increase to postal employees in the first four levels and Classification Act employees in the first three grades, upon conversion, and (3) the granting of one extra step for each earned longevity rate to all postal employees instead of the partial credit plan proposed by the administration. These increases were partially offset by a scaling down of the first-phase rates for Classification Act grades GS–16, 17, and 18, in order to keep within a $20,000 ceiling.

A comparison of the costs of the bill and administration proposal by fiscal year is shown in the following table:

[Millions]

Fiscal year	Administration	Bill
1963	$224	$504
1964	633	860
1965	938	1,049
1966	1,059	1,049

The average salary increase for employees under the Classification Act will be $342 in the first phase and $261 in the final phase. This amounts to 5.5 percent and 4.1 percent, respectively, of present salary rates.

For employees under the Postal Field Schedule the average pay increase will be $446 in the first phase and $138 in the final phase, or 8.6 percent and 2.6 percent, respectively. The difference in the size of percentages results from the greater part of the total increase for postal employees being provided immediately, including the extra step-increase for the lower levels on initial conversion to the new schedule.

Tables 1 and 2 show the average dollar increase, and percentage increase for each grade or level of the Classification Act and Postal Field Service Schedules for first and final phases of the salary reform.

Tables 3 and 4 show the increased salary cost for each grade or level of the respective salary systems.

TABLE 1.– *Salary increases by grade, Classification Act*

Grade	Average increase effective upon enactment		Average increase January 1964	
	Amount	Percent of current average	Amount	Percent of current average
GS–1	$165	4.7	$60	1.7
GS–2	165	4.4	60	1.6
GS–3	185	4.5	57	1.3
GS–4	207	4.7	105	2.3
GS–5	202	4.1	125	2.5
GS–6	224	4.1	219	4.0
GS–7	250	4.2	287	4.9
GS–8	340	5.3	317	4.9
GS–9	419	6.0	370	5.4
GS–10	534	7.1	429	5.8
GS–11	495	6.1	394	4.9
GS–12	636	6.7	540	5.6
GS–13	739	6.6	618	5.5
GS–14	972	7.6	818	6.4
GS–15	1,169	8.1	1,174	8.2
GS–16	1,115	7.1		
GS–17	1,768	10.5		
GS–18	1,500	5.2		
Average increase	342	5.5	261	4.1

TABLE 2.—*Salary increases by level, postal field service*

Level	Average increase effective upon enactment		Average increase January 1964	
	Amount	Percent of current average	Amount	Percent of current average
PFS–1	$322	8.5	$93	2.4
PFS–2	380	9.1	105	2.5
PFS–3	431	9.6	149	3.3
PFS–4	414	8.2	126	2.5
PFS–5	458	8.3	150	2.7
PFS–6	505	8.6	162	2.8
PFS–7	652	10.1	178	2.8
PFS–8	714	10.3	188	2.7
PFS–9	821	11.0	227	3.0
PFS–10	851	10.3	289	3.6
PFS–11	846	9.6	458	5.1
PFS–12	948	9.8	491	5.1
PFS–13	1,057	10.0	545	5.1
PFS–14	1,222	10.4	629	5.4
PFS–15	1,339	10.8	718	5.5
PFS–16	1,452	10.5	781	5.6
PFS–17	2,246	14.7	636	4.2
PFS–18	1,445	8.8		
PFS–19	1,150	6.7		
PFS–20	1,618	9.3		
Average increase	446	8.6	138	2.6

TABLE 3.—*Increased salary cost, by grade, Classification Act*

Grade	Number of employees	Increased salary cost	
		First stage (thousands)	Final stage (thousands)
GS-1	2,133	$352	$128
GS-2	35,233	5,813	2,114
GS-3	156,621	28,934	8,806
GS-4	168,343	34,914	17,676
GS-5	122,012	24,689	15,252
GS-6	50,974	11,410	11,155
GS-7	91,436	22,817	26,266
GS-8	24,478	8,318	7,756
GS-9	103,767	43,476	38,385
GS-10	14,864	7,931	6,389
GS-11	93,336	46,183	36,813
GS-12	67,443	42,877	36,187
GS-13	45,145	33,370	27,886
GS-14	20,283	19,724	16,585
GS-15	9,441	11,033	11,085
GS-16	1,124	1,254	----------
GS-17	468	828	----------
GS-18	205	307	----------
Total	1,007,306	344,230	262,483

TABLE 4.—*Increased salary cost, by level, postal field service*

Level	Number of employees	Increased salary cost	
		First stage (thousands)	Final stage (thousands)
PFS-1	4,124	$1,328	$384
PFS-2	23,601	8,968	2,478
PFS-3	40,489	17,451	6,033
PFS-4	377,086	156,114	47,513
PFS-5	24,671	11,299	3,701
PFS-6	11,053	5,582	1,791
PFS-7	17,301	11,280	3,080
PFS-8	10,464	7,471	1,967
PFS-9	7,328	6,016	1,663
PFS-10	3,517	2,993	1,016
PFS-11	1,846	1,562	845
PFS-12	1,330	1,261	653
PFS-13	1,029	1,088	561
PFS-14	704	860	443
PFS-15	315	422	226
PFS-16	147	213	115
PFS-17	38	85	24
PFS-18	12	17	----------
PFS-19	3	3	----------
PFS-20	11	18	----------
Total	525,069	234,180	72,460

Adjustment of Annuities Under Civil Service Retirement Act

SUMMARY

Part III of the bill increases retirement benefits as follows:

1. Provides a 5-percent increase, effective January 1, 1963, in all annuities then payable from the civil service retirement fund which commenced on or before that date.
2. Applies the increase on a graduated reduction basis to all annuities which commence in the 4-year period following January 1, 1963, in keeping with the practice followed in the last previous enactment of this kind.
3. Provides that the proper proportion of the increase granted an annuitant will accrue to his survivors.
4. Excludes from the increase annuity amounts purchased by voluntary contributions.
5. Removes the ceilings on increases imposed by certain previous enactments.
6. Provides for future adjustments in the event the calendar year average of the monthly Consumer Price Index of the Bureau of Labor Statistics increases not less than 3 percent.
7. Raises from $2,400 to $3,600 the portion of annuity to which the reduction of 2½ percent applies when electing survivorship benefits.
8. Increases the ratio of survivorship benefits from 50 to 55 percent.
9. Reverses present procedure by providing that in the future survivorship benefits will be automatic unless an adverse election is made.

STATEMENT

Part III of the bill is a compromise in certain respects between the views of the administration and the expressed desires of representatives of employee organizations and individual annuitants. However, the committee is of the unanimous view that it should be acceptable to both sides—that the adjustment in benefits and other changes are both equitable and necessary. Following is a brief discussion of the main points at issue:

Initial increase in benefits

Original bills called for increases in benefits of from 10 to 20 percent. These had the support of employee organizations and representatives of annuitants.

The administration supported legislation which would accept as a base the price index of 1958 and grant an increase in benefits whenever the rise after that date equals 5 percent. At the present time the rise is in the neighborhood of 4 percent.

Employee organizations questioned the equity of accepting 1958 as a base on the ground that benefits at that time were inadequate.

This measure accepts 1958 as a base but grants an increase of approximately 1 percent in excess of the rise in the price index since that date.

Future increases

The administration urged the enactment of legislation which would provide automatic adjustments in benefits whenever the price index increased by 5 percent.

Employee organizations urged that adjustments occur whenever the price index increased 1 percent.

Part III of the bill provides for an annual adjustment when the increase is 3 percent or more.

Survivorship benefits

Under existing law when an employee retires he has the right to elect survivorship benefits. When such an election is made the employee takes a reduction of 2½ percent on the first $2,400 of his earned annuity and 10 percent on his earned annuity above $2,400. His surviving spouse then becomes entitled to one-half of the employee's annuity in the event of his prior death. The reduction in his annuity is not restored in the event his named survivor predeceases him.

Employee representatives urged enactment of legislation making survivorship benefits automatic and doing away with any reduction in the annuitants' benefits in order to provide such survivorship benefits.

Part III of the bill reported by the committee retains the reduction feature but applies the 2½-percent reduction to the first $3,600 of the employee's annuity and the 10-percent reduction to that portion of his earned annuity in excess of $3,600.

Part III of the bill makes a procedural change by providing that in the future survivorship benefits will be automatic unless the employee makes an adverse election. Under present procedure the employee is required to make an affirmative election.

Under existing law survivorship benefits are 50 percent of the employee's earned annuity. The bill raises this relationship to 55 percent in conformity with changes made last year in the Social Security Act.

PUBLIC HEARINGS

Public hearings were held by the committee, May 10 and 17, 1962. The features discussed above grew out of the hearings.

COST

The Civil Service Commission in its letter of May 9, 1962, estimated that a 5-percent increase would have a first-year cost of $45 million. The relatively minor adjustments proposed by the bill in addition to a 5-percent increase would raise the first-year cost slightly above that figure.

AGENCY VIEWS

The printed hearings contain copies of all letters from the Civil Service Commission, Bureau of the Budget, and Comptroller General with respect to the several bills from which various features formed the basis for this measure. These letters are made a part of this report by reference in order to eliminate duplicate printing.

Explanation of the Bill by Title and Section

PART I—POSTAL SERVICE

TITLE I—POSTAL RATES

This title of the bill provides increases in the rates of postage on first-, second-, controlled circulation-, third-, and fourth-class mail and in certain fees and permits.

First-Class Mail

Section 101.—This section increases the rate on first-class letter mail from 4 to 5 cents an ounce, the rate on drop letters from 3 to 4 cents an ounce, and the rate on post and postal cards from 3 to 4 cents.

Air mail

Section 102.—This section of the bill increases the postage rate on airmail letters from 7 to 8 cents for each ounce or fraction thereof, and on airmail postal or post cards from 5 to 6 cents.

In keeping with the increase of 8 cents on airmail weighing 8 ounces, the first pound rate for air parcel post (other than first-class matter) is increased 8 cents. Air parcel post rates for first-class matter will be the regular 8-cent-an-ounce rate for each of the first 8 ounces, and the regular first-class letter rate of 5 cents an ounce for each ounce or fraction thereof over 8 ounces, but in no case less than the air parcel post rate for other matter.

Second-Class Mail Within County of Publication

Section 103.—This section of the bill eliminates free-in-county mailing, and extends to all such within county mailings for calendar years 1963 and 1964 the existing 1 cent per pound and ⅛ cent minimum charge now applicable to certain categories of within-county mailings. At the start of calendar year 1965, the pound rate would be increased to 1¼ cents and the minimum charge per piece would be increased to ¼ cent. Existing per-copy rates applicable to publications issued less frequently or more frequently than once a week when mailed for delivery by letter carrier at the office of mailing are left unchanged.

A special problem relating to within-county mailing as it affects certain independent cities has been brought to the attention of the committee. Although these cities are not within any county they have been so regarded for the purpose of provisions of law relating to free-in-county mailing and preferential in-county rates. As indicated in the following letter from the Assistant Postmaster General, the Post Office Department does not propose any change at this time with respect to the free-in-county privileges now enjoyed by publishers in these cities. Although this bill eliminates free-in-county mailing, it is the feeling of the committee that the Department should likewise permit these cities to continue the preferential rate status accorded to in-county mailings until the problem can be further considered at the next session of the Congress.

POST OFFICE DEPARTMENT,
ASSISTANT POSTMASTER GENERAL,
BUREAU OF OPERATIONS,
Washington, D.C., September 12, 1962.

Hon. WILLIS A. ROBERTSON,
U.S. Senate, Washington, D.C.

DEAR SENATOR: This acknowledges your letter of August 30 regarding the question of the free-in-county mailing privileges for second-class publications which are printed in whole or in part and published in various independent cities in the Commonwealth of Virginia.

In view of the possibility of an amendment to the existing provisions of law, the Department does not intend to take any action regarding this matter for the time being.

Thank you for your letter.

Sincerely yours,

FREDERICK C. BELEN.

Second-Class Mail Beyond County of Publication

Section 104(a) of the bill increases second-class pound rates and the minimum charge per piece of publications for delivery outside the county of publication except the current minimum charge of ½ cent per copy is not changed in the case of publications mailing less than 5,000 copies per issue outside the county of publication. The increase in pound rates on the nonadvertising portion is in three annual increments of 4 percent each year. The increase in pound rates on the advertising portion is in three annual increments initially computed on the basis of 10 percent each but adjusted as necessary to provide an equitable and manageable zone rate schedule. The schedule provides increases after 3 years of 33⅓ percent in zones 1 and 2; 25 percent in zone 3; 16⅔ percent in zone 4; 12½ percent in zone 5; and 10 percent in zone 6. The existing rates of 12 cents and 14 cents in zones 7 and 8, respectively, are not changed.

Subsection (*a*) except as noted above also increases the minimum charge on the above publications in annual increments over a 3-year period from one-half cent to six-tenths of a cent, eight-tenths of a cent and 1 cent respectively.

Subsection (*a*) fixes the postage rate on classroom publications at 60 percent of the regular rate. The rate applicable to the total content of publications of qualified nonprofit organizations (advertising and nonadvertising portions alike) is maintained at 1 cent per pound less than the pound rate applicable to the nonadvertising portion of regular publications. This produces a rate for these publications of less than 50 percent of the rate applicable to regular publications. The minimum charge per piece on these publications is raised from ⅛ to ¼ cent which is only 25 percent of the eventual minimum charge applicable to regular publications.

Subsection (*b*) extends the nonprofit rate to publications of official State highway agencies which meet all requirements for second-class entry and which contain no advertising. However, only one such publication in any State could be mailed at this rate. Also, the nonprofit rate is extended to associations of rural electric cooperatives.

Subsection (*c*) repeals existing law to the extent necessary to give effect to the changes in rates discussed above.

Second-Class Transient Mail

Section 105.—This section of the bill increases the postage rate on the first ounce only of transient mail from 2 to 4 cents.

Controlled Circulation Publications

Section 106.—This section of the bill increases the pound rate on controlled circulation publications from 12 to 12½ cents the first year, to 13 cents the second year and to 13½ cents thereafter.

Third-Class Mail

Section 107.—This section of the bill provides increases as follows in rates for third-class mail:

(1) The piece rate on single mailings is increased from 3 cents on the first 2 ounces or fraction thereof and 1½ cents on each additional ounce or fraction thereof to 4 and 2 cents, respectively.

(2) The pound rate on all matter mailed in bulk (except books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions and plants) is increased from 16 to 18 cents. The pound rate on books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions and plants is increased from 10 to 12 cents. The minimum rate per piece in either instance is increased in three annual increments—first to 2⅝ cents, a year later to 2⅞ cents, and a year following that to 2⅞ cents.

This section of the bill also reaffirms that the rate of postage on third-class matter mailed in bulk by qualified nonprofit organizations shall be 50 percent of the regular rates described above.

In addition to the foregoing, this section raises the fee for a third-class bulk mailing permit from $20 to $30 and increases the minimum weight requirement from 20 to 50 pounds. This should have been adjusted in 1958 when the weight for third-class mail was increased from 8 to 16 ounces. One of the requirements for the bulk third-class pound rates is that such mail be in quantities of 20 pounds or of not less than 200 pieces. When the weight limit was 8 ounces a minimum of 40 such pieces was necessary, but when the weight limit was raised to 16 ounces only 20 such pieces was necessary to comply with the minimum weight limit. This is entirely too small a number of pieces to justify the bulk pound rate. Thus, in the future, to obtain the bulk fourth-class rate, it will be necessary to mail a minimum of 50 pounds or 200 pieces.

Fourth-Class Mail

Section 108.—This section restores to the States of Alaska and Hawaii the benefits of certain provisions relating to the maximum size and weight of fourth-class parcels mailed at or for delivery at first-class post offices which they enjoyed prior to their admission as States. Under these provisions, such parcels could be as large as 100 inches in length and girth combined and could weigh as much as 70 pounds. These are the maximums which are already applicable generally to parcels mailed at or for delivery at second-, third-, and fourth-class post offices or rural and star routes, and to parcels mailed at or for delivery at Army, Air Force, or Fleet Post Offices. The committee feels that the conditions which led to the original extension of these maximums to Alaska and Hawaii while in territorial status

have not been altered by statehood and recommends that those maximums be restored.

Section 109.—This section provides an increase in fourth-class postage rates on books, films, and similar educational materials from 9 cents for the first pound to 9½ cents during the first year and to 10 cents thereafter. The existing rate of 5 cents on each additional percent will continue without change.

The postage rates on fourth-class library materials would remain at 4 cents on the first pound and 1 cent for each additional pound.

Parcel Post

It has come to the attention of the committee that, in connection with fourth-class rate adjustments currently under consideration, it is proposed to change certain conditions of mailability in such a manner as to exceed limitations heretofore prescribed by act of Congress. This committee desires to make it clear that limitations which have been recommended by this committee and approved by the Congress are intended to be binding until changed by a subsequent act of Congress.

Fees for Second-Class Entry and Registration

Section 110.—This section provides increases as follows in second-class mailing fees:

	Existing fee	Proposed fee
Circulation:		
Not over 2,000	$25	$30
2,000 to 5,000	50	60
Over 5,000	100	120
Reentry	10	15
Additional entry	10	[1] 15 [2] 50
News agent	20	25

[1] Zones 1 and 2.
[2] Zones 3 to 8.

Permit Fees for Mailing Without Stamps

Section 111.—This section increases from $10 to $15 the permit fee for mailing without stamps.

Fixing of Fees by Postmaster General

Section 112.—This section gives the Postmaster General the authority to adjust second-class entry and registration fees and permit fees for mailing with printed postage indicia in the future.

Keys and Other Small Articles

Section 113.—This section increases from 5 cents for each 2 ounces to 6 cents for each 2 ounces the postage rate on keys and other small articles mailed without the prepayment of postage.

Method of Determining Gross Receipts

Section 114.—This section provides that increased revenues derived from the rate increases shall be excluded in determining compensation

and allowances of postmasters and other employees and classes of post offices.

NOTE.—This is similar to the provision contained in the 1958 Postal Increase Act.

TITLE II—POSTAL POLICY

Section 201.—This section makes changes necessary to clarify and strengthen the statement of congressional policy with respect to postal rates and fees contained in chapter 27 of title 39, United States Code. Further, certain technical changes are made necessary by the elimination of free-in-county mailing under section 104. This section resolves a problem of long standing by providing a formula for use in determining the amount that shall be considered public service costs in the operation of star and rural routes and third- and fourth-class post offices. The bill provides that 10 percent of the gross cost of the operation of third-class post offices and the star route system, and 20 percent of the gross cost of the operation of fourth-class post offices and rural routes shall be attributable to public service.

Effect on public service

Operation	Gross cost	Percent deemed to be public service	Amount deemed to be public service
3d-class offices	$125,000,000	10	$12,500,000
4th-class offices	37,000,000	20	7,400,000
Rural routes	273,000,000	20	55,600,000
Star routes	59,000,000	10	5,900,000
Total			81,400,000

TITLE III—MISCELLANEOUS

Eligibility of Certain Organizations for Second-Class Entry

Section 301.—This section adds publications of State industrial development agencies and public or nonprofit elementary and secondary schools to the list of those entitled to second-class entry without the necessity of having a bona fide list of regular subscribers.

Educational Materials

Section 302.—This section provides corrective language to clarify the purpose and intent of that part of section 4554(c) of title 39 relating to the inclusion of guides, scripts, and catalogs with scientific or mathematical kits, instruments, or devices and sound recordings.

The bill adds looseleaf pages, and binders therefor, consisting of medical information for distribution to doctors, hospitals, medical schools, and medical students to the educational materials category.

Reading Matter and Other Materials for Blind Persons

Section 303. This section revises sections 4653 and 4654 of title 39, United States Code, which relate to the mailing of reading and

other materials for the use of blind persons. The changes made in these sections are designed to accomplish the following:

(1) Existing law permits the free mailing to blind persons of books with raised type and recordings. This section would add books printed in sightsaving size type to this category. It would also make clear that the term "recordings" includes sound tapes.

(2) Under present law public libraries and public institutions for the blind may mail free of postage books being loaned to blind persons. This section extends this privilege to any nonprofit organizations which lends books to the blind.

(3) Extends the same free mailing treatment to reading materials mailed to nonprofit organizations for the use of blind persons as when sent directly to the blind persons.

(4) Existing law permits magazines furnished to blind persons at cost to be mailed at the rate of 1 cent a pound. This section extends that rate to other reading materials furnished to blind persons at cost. It also makes it applicable where the materials are sent to nonprofit organizations for the use of blind persons.

(5) Under present law sound reproduction devices owned by the United States which have been loaned to blind persons may be returned by those persons for repair at a postage rate of 1 cent a pound. The Postmaster General has authority to extend this rate to reproducers owned by States, public libraries, nonprofit agencies, and blind persons themselves. This section would eliminate the 1-cent-a-pound charge and permit free mailing of these devices. It also authorizes the Postmaster General, in his discretion, to extend free mailing privilege to the sending by State agencies, public libraries, private nonprofit agencies for the blind, and blind persons themselves, of paper, records, tapes, and other materials owned by them for use by the recipients for the production of reading matter in raised characters or sight saving size type, or in the form of recordings, for the use of blind persons.

Repeals and Technical Amendments

Section 304.—The repeals made by this section are of a technical or conforming nature except that paragraph (3) repeals the following substantive provisions of law:

(1) Section 4361 of title 39, which authorizes publishers to mail proofs of advertisements at second-class zone rates applicable to advertising portions.

(2) Section 4652 of title 39, which permits public mailing of the Congressional Record from the District of Columbia at the rate of 1 cent per copy.

EFFECTIVE DATE

Section 305.—This section provides that, except as otherwise provided, the provisions of Part I—Postal Service shall become effective January 7, 1963.

COMMUNIST POLITICAL PROPAGANDA

Section 306.—Section 12 of the House-passed bill contains a provision which would amend section 505 of title 39, United States Code (international postal arrangements) for the purpose of excluding Communist political propaganda from the U.S. mails.

This section in the House bill also contains provisions designed to accomplish this purpose with respect to mail originating within the United States as well as mail originating outside the United States. Under these provisions mail matter determined by the Attorney General to be Communist political propaganda which is financed or sponsored by a Communist-controlled government is nonmailable within the United States, except as fourth-class mail.

During extensive hearings on section 12 of H.R. 7927, widely divergent views were expressed as to the need for such a provision and the form any such provision should take. Following extended deliberations in executive session, the committee has agreed upon what it considers to be an appropriate substitute which meets many of the objections expressed during the hearings, and which is designed to provide a workable solution to the problem of Communist political propaganda arriving for distribution in the United States.

The substitute drafted by the committee, which appears as section 305 of the bill, consists of a modification of S. 2740, introduced by Senator Bush on January 25, 1962, which would have had the effect of reinstating the program of screening Communist political propaganda substantially as that program was conducted prior to March 17, 1961.

Section 305 provides for a program under which, with certain exceptions, Communist political propaganda coming into the United States from foreign countries would be intercepted and would be delivered only upon the request of the addressee within a reasonable time, which shall not exceed 60 days.

Section 305 specifically provides that mail matter, except sealed letters, originating in a foreign country and which is determined by the Secretary of the Treasury to be Communist political propaganda shall be detained by the Postmaster General upon its arrival for delivery in the United States, or upon its subsequent deposit in the U.S. domestic mails, and the addressee shall be notified that such matter has been received. Such detention would not be required in the case of any matter which is otherwise ascertained by the Postmaster General to be desired by the addressee.

Exempted would be matter addressed to Government agencies, to libraries, or to colleges, universities, graduate schools, scientific or professional institutions for advanced studies, or any individual connected therewith. Likewise, material addressed for delivery in the United States pursuant to a reciprocal international agreement under which the U.S. Government mails an equal amount of material for delivery in a Communist country, would be exempted.

In order to furnish guidelines to the Secretary of the Treasury as to what constitutes Communist political propaganda, the entire definition of political propaganda contained in the Foreign Agents Registration Act of 1948 is incorporated by reference and related to matter issued by or on behalf of any country from which tariff concessions have been withdrawn under section 5 of the Trade Agreement Extension Act of 1951 or section 231 of the Trade Expansion Act of 1962, or which is denied assistance under section 620(f) of the Foreign Assistance Act of 1961, as amended.

PART II—FEDERAL SALARY REFORM

TITLE I—GENERAL POLICY

Section 501.—Provides that the act may be cited as the "Federal Salary Reform Act of 1962."

Section 502.—This section sets forth the policy of the Congress that pay of Federal civilian personnel shall be established upon the principles of equal pay for substantially equal work with pay distinctions maintained in keeping with work and performance distinctions; and that Federal salaries shall be comparable with salaries in private enterprise for the same levels of work.

Section 503.—This section provides that the President shall have prepared and submitted to him an annual report comparing salary rates paid to Federal employees with rates paid for the same levels of work in private industry as determined through annual surveys of the Bureau of Labor Statistics of the Department of Labor. After seeking the views of employee organizations the President shall make an annual report to the Congress containing the comparison of Federal and private enterprise salary rates and such recommendations for revision of statutory salary schedules, salary structure, and compensation policy as he deems advisable.

Section 504.—This section provides that whenever the President finds that salary rates in private enterprise for an occupation in one or more areas or locations are so substantially above Federal salary rates as to handicap significantly the Government in recruiting and retaining well-qualified persons in positions under the Classification Act of 1949, the Postal Field Service Compensation Act of 1955, the pay scales applicable to certain positions in the Department of Medicine and Surgery of the Veterans' Administration or the Foreign Services Act of 1946, the President or his agent may, for such areas or locations, establish higher minimum rates of pay for the occupation concerned. Corresponding increases may be made in all step rates of the salary range for each such grade or level, but no minimum salary rate so established may exceed the seventh salary rate for the grade or level. The President could exercise the authority conferred upon him by this section through the Civil Service Commission or, in the case of employees not subject to the civil service laws and regulations, through such agency or agencies as he might designate.

Section 505.—This section provides that the functions, duties, and regulations of the departments and the Civil Service Commission under title I of part II of this act, the Classification Act, part III of title 39, United States Code, the Foreign Service Act, and chapter 73 of title 38 of the United States Code (relating to compensation of medical and nursing positions in the Department of Medicine and Surgery of the Veterans' Administration) shall be subject to such policies and rules as the President may issue, and specifies some of the subjects the policies and rules may cover.

TITLE II—PAY SYSTEM OF CLASSIFICATION ACT OF 1949

Section 601.—This section provides that title II may be cited as the "Classification Act Amendments of 1962."

Section 602.—This section contains the compensation schedules for the general schedule of the Classification Act and the conversion rules

for the two phases of the salary adjustment plan which would become effective on enactment and on January 1, 1964.

Subsection (a) prescribes the compensation schedules. The schedule contains 10 regular steps in lieu of 7 scheduled and 3 longevity rates currently provided for GS–1 through GS–10; 9 rates for GS–11 through GS–14 in lieu of 6 scheduled and 3 longevity rates; 8 rates for GS–15 in lieu of 5 scheduled and 3 longevities; and 5 rates for GS–16 and GS–17 in lieu of the 5 rates currently provided by the Classification Act. Grade GS–18 continues to have a single rate. Because the number of regular step rates is increased, the current provisions for longevity step increases in title VII of the Classification Act are no longer needed and are repealed in subsequent sections of the bill.

Subsection (b) specifies the rules adjusting existing pay rates to the rates of the new schedules. Employees generally are to retain the same relative place within the new grade range as they had within their former grade range.

Paragraph (10) of subsection (b) provides that service immediately preceding the effective date shall be counted toward not to exceed one step increase under the time in grade provisions of section 701(a) of the Classification Act, as amended by this act.

Section 603.—This section amends title VII, "Step increases" of the Classification Act. Title VII currently provides two types of step increases: (1) Periodic step increases under section 701, and (2) longevity step increases beyond the scheduled maximum rate of the grade under section 703. As amended by this bill, title VII provides for (1) periodic step increases, and (2) additional step increases to be granted in recognition of high quality performance.

Section 701 now provides periodic step increases, for employees below the maximum rate of the grade, for each 52 calendar weeks of service if the amount of the step increase is less than $200, or 78 weeks of service if the employee's position is in a grade in which the step increase is $200 or more. As amended, section 701(a) provides for periodic increases at all grades following the completion of (1) 52 calendar weeks of service in salary rates 1, 2, and 3, (2) 104 calendar weeks of service in salary rates 4, 5, and 6, and (3) each 156 calendar weeks of service in salary rates 7, 8, and 9.

Paragraphs (A) and (C) of section 701(a) which relate to eligibility for step increases are in existing law. Paragraph (B) requires, as a prerequisite to within-grade advancement, that the employee's work is of an acceptable level of competence in contrast with the present wording that the employee has a current performance rating of "satisfactory" or better.

Subsection (b) of the revised section 701 is present law.

The new section 702 of the Classification Act in the bill authorizes, in subsection (a), additional step increases in recognition of high quality performance above that ordinarily found in the type of position concerned. Such additional step increases could be made in accordance with regulations prescribed by the Civil Service Commission and, under subsection (b), would be limited to not more than one within any period of 52 weeks.

Current provisions of sections 703 and 704 of the Classification Act relating to longevity step increases are no longer needed since these

steps have been included in the regular rate range for the respective grades. The provisions are therefore repealed. Section 703 of the amended title VII which is already in existing law (as section 705) provides that title VII shall not apply to persons appointed by the President, by and with the advice and consent of the Senate.

Section 604.—Subsection (a) of section 604 revises section 802(b) of the Classification Act to provide that when an employee is promoted to a position in a higher grade he shall receive basic compensation at the lowest rate of the higher grade which exceeds his existing rate by not less than two step increases of the grade from which promoted. This subsection also specifies the action to be taken if there is no rate in the higher grade two step increases above the employee's existing rate, or if he is receiving a rate saved under section 507 of the Classification Act on reduction in grade. Existing law provides only a one-step increase upon promotion or transfer to a higher grade. A similar proposal is included in H.R. 1010 which passed the House of Representatives on August 22, 1961.

Subsection (b) of section 604 adds a new subsection (d) to section 802 of the Classification Act. There is no present authority for saving the basic compensation of an employee who, together with his position, is brought under the Classification Act from some other Federal pay system (such as the wage board system), if his salary rate is in excess of the maximum rate of the classification grade in which his position is placed. The new subsection would authorize the Civil Service Commission to issue regulations to permit the retention of salary in such instances. It includes special provisions applicable in case of subsequent demotion in grade.

Subsection (c) of section 604 substitutes a new section 803 of the Classification Act. Because of the more comprehensive provisions in section 504 of title I of the bill, the present provisions of section 803, authorizing advanced entrance rates of the grades for appointments in shortage occupations, are unnecessary and therefore are being deleted. Section 803, as amended, provides that under regulations of the Civil Service Commission, any employee under the Classification Act who regularly has responsibility for supervision, including technical supervision, over wage board employees may be paid a rate for his grade above the highest rate paid to any such prevailing rate employee.

Section 605.—This section amends section 507 of the Classification Act which provides for the retention of salary when an employee is demoted to a lower grade. The amendment in paragraph (1) makes provisions of the section applicable in all grades of the Classification Act. The amendment in paragraph (2) is a minor change in language which will permit salary retention in some cases not now permitted.

Section 606.—This section amends section 505 of the Classification Act. Subsection (a) increases from 1,989 to 2,400 the limitation on the number of positions the Civil Service Commission, under section 505(b) of the Classification Act, may authorize to be placed in grades 16, 17, and 18 of the general schedule, and excludes from this limitation engineering research and development positions and positions in the physical sciences, natural sciences, and medicine. Subsection (b) excludes these same kinds of positions from the number of positions in grades 16, 17, and 18 now authorized for the Department of Defense in section 505(j) of the Classification Act.

Subsection (c) authorizes the Attorney General to plan a total of 10 positions of warden in the Bureau of Prisons in grade 16 of the general schedule. This increases by four the number of such positions which may be assigned to GS–16. This subsection also authorizes the Attorney General to place a total of eight positions of member of the Board of Parole in grade 17 of the general schedule. Presently only one such position is in grade GS–17 and the other seven are in grade GS–16.

Section 607.—This section repeals certain provisions of law authorizing (1) incumbency allocations to top Classification Act grades, and (2) certain positions to be placed in top grades of the act or to have an equivalent salary.

Section 608.—Subsection (a) provides that each position covered by a repeal provision in section 607 shall be placed in the appropriate grade of the general schedule of the Classification Act, in accordance with the provisions of that act.

Subsection (b) provides that positions in grades 16, 17, and 18 of the general schedule immediately prior to the effective date shall remain in such grades until appropriate action is taken under section 505 of the Classification Act.

Section 609.—This contains the usual salary savings provisions.

Section 610.—This section provides that except as otherwise expressly provided the provisions of title II of part II shall become effective on the first day of the first pay period which begins on or after the date of enactment.

TITLE III—POSTAL FIELD SERVICE EMPLOYEES

Section 701.—This section provides for citing this title as the "Postal Employees Salary Adjustment Act of 1962."

Section 702.—This section provides two postal field service schedules. Schedule I would be effective the first pay period after enactment and schedule II, the first pay period after January 1, 1964. The salary schedules for the postal field service follow the pattern established for other statutory pay systems in that they are based on the principle of industry comparability for levels of work.

The structure of the proposed schedules is generally similar to that of the Classification Act. It replaces both annual salary steps in the present PFS schedule and longevity rates which is accomplished by the addition of step increases to the PFS schedule.

Section 703.—Subsection (a) of this section establishes two new schedules for determining rural carrier pay, the first effective on the first pay period after enactment and the second on the first pay period after January 1, 1964. It also combines the present salary steps and longevity steps into a single 12-step schedule, following the pattern of the PFS schedule.

Pay rates for the RCS schedule were determined by adding the amount of increase provided for PFS–4, step 7, to the present step 7 rate for the 42-mile route, and adjusting other rates for that route to the corresponding rates for PFS–4.

Subsection (b) amends section 3543(c) of title 39, United States Code, which authorizes payment of additional compensation to rural carriers on heavily patronized routes, by eliminating the existing provision permitting such payment only if the route does not exceed 61

miles in length, as well as the provision limiting the additional compensation to an amount which when added to the basic salary for the maximum step for the route would equal the basic salary for the maximum step for a 61-mile route.

Subsection (c) increases the equipment maintenance allowance to 12 cents a mile or $4.20 a day, whichever is greater. These adjustments were in a bill previously reported by the committee and approved by the Senate.

Subsection (d) changes the method of compensating substitute rural carriers. Under the present system these carriers are paid at the rate of the carrier in whose absence they are serving. Under the new provisions, substitute carriers will be paid on the basis of their own service in the same manner as regular carriers.

Section 704.—This section amends section 3544(a) of title 39 of the code to provide two new compensation schedules for postmasters in fourth-class post offices, one effective the first pay period after enactment and the other effective the first pay period after January 1, 1964.

The proposed schedules continue to relate compensation to receipts categories. The first schedule provides an increase of 10 percent above current salary rates. The second schedule adds another 5 percent or a total of 15 percent over existing rates. Subsection (b) extends to postmasters of the third- and fourth-class salary restoration rights now enjoyed by other postal employees.

Section 705.—This section amends 39 U.S.C. 3552, which relates to advancement of employees by step increases.

Under subsection (a), 39 U.S.C. 3552, the schedule of advancement is established. The present schedule of advancement provides for increases based on 52 weeks of service in a step until the highest step in the level is reached. In levels PFS–1 through PFS–6 this form of advancement is continued for the first six increases; the next five increases are attained after a 156-week waiting period for each. In all levels above PFS–6, under the new schedule, the employee will be advanced to steps 2, 3, and 4, on the basis of 52 weeks of service in each step, to steps 5, 6, and 7, on the basis of 104 weeks of service, and to steps 8 and above, on the basis of 156 weeks of service. The committee considered but rejected an amendment designed to give annual advancement through step 6 at all levels of the schedule because it would have given supervisors in the postal service an unjustified advantage over supervisors elsewhere in the Federal service.

Subsection (b), 39 U.S.C. 3552, codifies and makes permanent a provision of law common to salary increase legislation affecting postal employees. In effect, it provides that statutory increases in basic compensation are not equivalent increases for purposes of determining eligibility for advancement under subsection (a).

Subsection (c), 39 U.S.C. 3552, reenacts the last sentence of 39 U.S.C. 3552(a) as a separate subsection.

The current provisions of 39 U.S.C. 3552(b) are, in effect, repealed by this amendment. Under present service conditions, withholding of advancement by step increases from substitutes in PFS–5 assigned to road duty cannot be justified.

Section 706.—This section amends 39 U.S.C. 3554 by deletion of the phrase "under the postal field service schedule" and insertion in its place the phrase "in the postal field service." The purpose of this

change is to permit the payment of compensation to temporary rural carriers serving under limited appointments in the same manner as to other postal field service employees. In effect, this change will continue the present method of compensation of these carriers.

Section 707.—This section amends 39 U.S.C. 3559 in its entirety. The present method of promotion guarantees to each employee a minimum increase equivalent to the difference between step 1 of the level from which promoted and step 1 of the level immediately above. The new provision will guarantee to each employee promoted to a higher level a minimum increase equivalent to two step increases of the level from which promoted; if the employee is promoted to a level more than two levels above the level of his position, he will receive a minimum increase equivalent to three step increases.

Section 708.—The purpose of this amendment is to remove the limitation on the present authority of the Postmaster General with respect to the establishment or extension of star routes in areas previously served by rural routes. Under present law such substitution may not be made if a qualified rural carrier can be obtained. This change will permit the Postmaster General to exercise administrative discretion in the selection of the more efficient or economical service.

Section 709.—The new salary plan abolishes longevity steps and provides for recognition of long service through addition of within-grade steps. Therefore, the distinction made in sections 3101(5) and 3101(6) of title 39, between basic salary and basic compensation, is no longer valid.

Section 710.—The purpose of the amendment to 39 U.S.C. 3541 is to provide a method for determining the daily rate of compensation of substitute rural carriers. By using a factor of 304, the number of days of service on a rural route in a year, holiday pay is prorated throughout the year against the actual service of the substitute rural carrier. In this respect, pay treatment of these employees will be consistent with that afforded other substitute employees.

Section 711.—This section provides the rules for the conversion of existing salaries to the new pay schedules which would become effective on the first day of the first pay period after enactment. The conversion method generally will place each employee in the numerical step which he attains immediately prior to the effective date of the new pay plan, plus an additional numerical step for each longevity step attained immediately prior to conversion.

Credit is preserved toward the next within-grade or automatic step increase earned by employees prior to conversion if they were not given an additional step increase by reason of longevity steps attained prior to conversion. Such credit will be applied toward fulfillment of the requirements of the new advancement schedule. No credit earned toward longevity steps will be carried over. No employee's salary will be reduced on conversion.

In addition, to provide a greater salary increase for present employees, each employee in levels PFS–1 through PFS–4 or under the rural carrier schedule will be advanced one extra step on conversion.

Section 712.—This section provides for the conversion of employees to the schedules to become effective in January 1964 according to the numerical step attained immediately prior to the date of conversion. Where existing compensation exceeds the rate for the numerical step, the existing compensation is retained if conversion cannot be made to a scheduled step.

Section 713.—Section 3560 of title 39, United States Code, as added by section 201 of the act of September 21, 1961 (75 Stat. 569, Public Law 87–270), provides, among other things, that employees in protected rates will be given statutory increases applicable to the salary standing from which reduced. The purpose of section 713 is to make clear that, inasmuch as the new salary plan involves basic structural changes for employees now under the PFS, RCS, and FOS schedules, this particular feature of 39 U.S.C. 3560 cannot be given application at the time of conversion to the new schedules. Salaries of employees in protected rates as of the date of conversion will be converted under sections 711 and 712 of this act, as appropriate.

Section 714.—This section contains an amendment to section 3335 of title 39 of the code, which will clarify the intent of Congress with respect to the authority of the Postmaster General to authorize higher level compensation. This amendment is required to remove objections of the Comptroller General, as stated in his decision of February 1, 1962 (B–138999), to the Department's application of the present statutory provision and to validate payments that have been made.

Section 715.—This section extends existing salary protection provisions to all levels of the postal field service schedule and clarifies their application to certain situations.

Section 716.—This section contains a new compensation rule which will permit the Postmaster General to make exceptions to the schedule of automatic advancement provided in 39 U.S.C. 3552 in recognition of exceptional competence. This provision will require implementation by regulations to be issued by the Postmaster General.

Section 717.—This section removes PFS–17 from the controlled position group and grants the postal field service a 10-percent exemption under the Whitten amendment.

Section 718.—This section contains two conforming changes to the table of contents of title 39, United States Code.

Section 719.—This section repeals those provisions of Public Law 86–568 which contained salary increases for postal field service employees, effective July 9, 1960. It also repeals 39 U.S.C. 3558, which provides for the present system of longevity compensation; the new pay schedules supersede the longevity system in its entirety.

Section 720.—This section specifies the effective dates of the various sections in title III.

TITLE IV—DEPARTMENT OF MEDICINE AND SURGERY IN THE VETERANS' ADMINISTRATION

Title IV relates to physicians, dentists, and nurses in the Department of Medicine and Surgery of the Veterans' Administration who are subject to a separate pay system prescribed by chapter 73 of title 38, United States Code. The revisions made by this title not only take into account the Bureau of Labor Statistics findings but also reflect the results of extensive studies of the Veterans' Administration concerning the need for a modernization of the entire grade and salary structure of the Department of Medicine and Surgery to recognize the numerous organizational and functional changes which have taken place in the Department since its inception in 1946.

In recognition of the nature of their occupations and the variability of assignments in a clinical setting, the grade and salary of physicians,

dentists, and nurses in the Department of Medicine and Surgery are determined on the basis of an individual's qualifications and professional attainment. Notwithstanding this fact, comparison of the qualification and skill requirements for like occupations under the Classification Act corroborate extension to the Department of Medicine and Surgery schedules in the manner indicated in the bill of the salary scale proposed for the Classification Act system. Appropriate differentiation in pay between recognized skill levels as well as executive and managerial levels is maintained. Internal relationships of pay between the D.M. & S. system and the Classification Act system are also continued.

Section 801.—This section amends section 4103 of title 38 of the United States Code. It reduces the maximum number of Assistant Chief Medical Directors from eight to five and modifies the provisions pertaining to directors of service and chiefs of division. In lieu of these positions, a new position level of Medical Director is established. The salaries of the Assistant Chief Medical Directors, the Director of Nursing Service, the Chief Pharmacist, and Chief Dietitian are appropriately adjusted in line with other increases proposed by the bill. The statutory positions of the Deputy Director of Nursing Service, Chief Physical Therapist, and Chief Occupational Therapist are eliminated. The duties of the first-named position will be filled by a nurse of the Assistant Director grade. The salaries for the positions of Chief Physical Therapist and Chief Occupational Therapist will be set in the future under the Classification Act.

Section 802.—This section amends section 4107 of title 38 of the code. In subsection (a) of section 4107, the former schedules entitled "Medical Service" and "Dental Service" have been combined and retitled "Physician and Dentist Schedule." The existing schedules have provided identical grades and pay scales and their continued separation serves no purpose. The Junior grade of the former schedules has been eliminated and, two new grades—the Director grade and Executive grade—have been established. The schedule now titled "Nursing Service" has been retitled "Nurse Schedule." Two new grades—the Assistant Director grade and Chief grade—have been established, and the former grades of Assistant Director and Senior grade have been retitled "Senior grade" and "Intermediate grade," respectively.

Subsection (a) also provides the pay scales for the physician and dentist schedule and the nurse schedule to be effective on the first day of the first pay period after enactment and after January 1, 1964.

Subsection (b) of section 4107 of title 38 of the United States Code specifies the intended use of the two new grades—Director and Executive—in the physician and dentist schedule.

Section 803.—This section which amends section 4108 of title 38 of the United States Code repeals the present provision providing for an allowance equal to 15 percent of the pay of persons rated as medical, surgical, or dental specialists under the provisions of that section, since the latitude which will be afforded within the pay range of each grade will permit appropriate recognition of specially qualified individuals. The current subsection (b) of 4107 of title 38, without change, has been redesignated as section 4108 for purpose of greater clarity and as a matter of drafting convenience.

Subsection (b) of section 403 is a perfecting amendment to the table of contents at the head of chapter 73 of title 38, to reflect the change in the catchline of section 4108.

Section 804.—This section amends section 4111(b) of title 38 to provide that the per annum salary rate of a director of a hospital, domiciliary, or center who is not a physician in the medical service shall not be less than the rate of salary he would receive if such service as a director had been as a physician in the director grade. Except with respect to change in rate of salary the subsection does not affect the allocation of any such position to any grade of the Classification Act or the application of the Performance Rating Act of 1950 to any individual.

Section 805.—This section provides that title IV shall become effective on the first day of the first pay period after enactment except as otherwise expressly provided.

TITLE V—THE FOREIGN SERVICE ACT OF 1946

Section 901.—This section provides that title V may be cited as the "Foreign Service Salary Reform Act of 1962."

Section 902.—This section amends section 412 of the Foreign Service Act by adjusting upward the per annum salary rates for the eight classes of Foreign Service officers. No change is made in the number of classes and, with the exception of class I, which has two salary rates, the general pattern of seven rates for each class is continued. As in other sections of this title, the schedules of per annum salary rates, provided by this section, are to be effective in two phases at the beginning of the first pay period after enactment and after January 1, 1964.

Section 903.—This section amends section 415 of the Foreign Service Act of 1946 by revising the structure of the Foreign Service staff salary schedule and embodying certain changes directly comparable to those made in the revision of the Classification Act.

There are at present 22 classes in the Foreign Service Staff schedule. The proposed schedule of 10 classes would eliminate the unnecessary and seldom-used classes in the current schedule. Since custodial, maintenance, and the most routine clerical functions are performed almost exclusively by alien employees at Foreign Service posts, there is little need for U.S. citizen employees at the level of duties represented by classes 14 through 22. Since classes 14 through 22 are to be abolished, it will be necessary to give the Secretary the authority contained in proposed section 415(b) in order that persons in such classes may continue to be employed at appropriate rates. The new section 415(b) would give the Department all needed flexibility in this respect, should it be desirable in unusual circumstances, to employ American personnel at lower rates for duties less difficult than those of FSS–10. Within the proposed Foreign Service Staff salary schedule, 10 salary rates are proposed for the lower 6 classes, and 9 for the upper 4. This conforms with Classification Act salary ranges proposed at similar salary levels. Section 504 prescribes two schedules of per annum salaries for staff officers and employees to be effective the first pay period after enactment and after January 1, 1964.

Section 904.—This section provides for the conversion of Foreign Service personnel from their present salary rates to those established by this bill.

Section 905.—This section repeals section 642(b) of the Foreign Service Act relating to longevity step increases for Foreign Service staff officers and employees and makes minor conforming changes in the heading and identification of the section in the Foreign Service Act. Since the new Foreign Service staff schedule provides 9 or 10 rates for within-class increases, this section is no longer needed.

Section 906.—This section provides that, except as otherwise expressly provided, title V shall become effective on the first day of the first pay period after enactment.

TITLE VI—MISCELLANEOUS SALARY PROVISIONS

Section 1001 increases the salary limitations for certain scientific, professional, and other positions to accord with the salary ranges of the general schedule of the Classification Act. In most cases the salary range stated in the laws which are amended has a $19,000 maximum. The amendments proposed would tie the maximum to grade 18 of the general schedule.

Subsection (a) of section 1001 revises the salary range in section 2(b) of Public Law 313, as amended, from $12,500–$19,000, to a range from the minimum salary of grade GS–16 to the highest rate of grade GS–18, and authorizes eight such positions in the Library of Congress.

Subsection (b) amends section 1581(b) of title 10 of the United States Code, relating to certain scientific or professional positions in the Department of Defense, to provide a minimum rate for such positions as the minimum rate of GS–16 and a maximum rate equivalent to GS–18 pay.

Subsection (c) extends the new range to positions now paid at $12,500 to $19,000 in the National Security Agency.

Subsection (d) amends the proviso in the first sentence of section 208(g) of the Public Health Service Act, as amended, which relates to compensation rates of certain scientific, professional, and administrative personnel in the Public Health Service to provide a minimum rate of grade GS–16 and a maximum at the pay of grade GS–18.

Subsection (e) establishes a maximum rate, equivalent to the pay of grade GS–18 for five positions of technical experts in the Department of Agriculture engaged in research in foot-and-mouth and other animal diseases.

Subsection (f) amends section 203(b)(2) of the National Aeronautics and Space Act of 1958 to provide that the Administrator may fix the rates for certain excepted positions at not to exceed the pay of grade GS–18 of the Classification Act. Thirty of these positions may continue to be paid up to $21,000.

Subsection (g) amends the proviso in section 161(d) of the Atomic Energy Act of 1954, as amended, to permit the fixing of salaries of scientific and technical personnel up to a limit of the pay of grade GS–18 of the General Schedule of the Classification Act. The present limit is $19,000.

Subsection (h) substitutes the GS–18 rate in place of $19,500 as the top salary for 23 positions in the Federal Aviation Agency.

Subsection (i) authorizes use of Foreign Service salary rates for paying the U.S. representative and alternate on the Executive Board of the World Health Organization in place of present maximum salaries of $12,000 and $10,000.

Subsection (j) sets the GS–18 rate as the maximum salary for certain positions established under the Mutual Educational and Cultural Exchange Act, now authorized to be paid up to $1,000 more than the rate of GS–18.

Subsection (k) fixes the GS–18 salary as the maximum rate for certain positions under the Foreign Assistance Act which may now be paid up to $19,000 a year.

Subsection (l) fixes the GS–18 salary rate as the top salary for certain Peace Corps positions now paying up to $19,000 a year.

Section 1002.—This section extends to Agricultural Stabilization and Conservation County Committee employees the salary increases provided by the bill for corresponding Classification Act salary levels.

Section 1003.—This section raises from $15,000 to $17,500 the maximum amount which can be paid to assistant U.S. attorneys and provides for an increase of 7½ percent in their existing rates of compensation.

Section 1004.—This section authorizes, for employees of the judicial branch, salary increases corresponding to those proposed in the statutory salary systems in the executive branch.

Section 1005.—This section provides an increase of 7 percent to officers and employees in or under the legislative branch.

Subsection (b) provides for the automatic adjustment of the compensation of employees in the office of a Senator to the rate nearest that being received by such employees immediately preceding enactment of this act unless the disbursing office of the Senate is notified to the contrary within 15 days after the date of enactment. Such notice, when given, would give effect to the increase.

Subsection (c) provides an increase of 7 percent in the rates of basic compensation of the elected officers of the Senate (not including the presiding officers of the two Houses), the Parliamentarian of the Senate, the Parliamentarian of the House of Representatives, the legislative counsel and senior counsel in the Office of the Legislative Counsel of the Senate, the Legislative Counsel of the House of Representatives, the Coordinator of Information of the House of Representatives, and the Chief Clerk of the Senate, except that no such salary may be raised to an amount above $21,500.

Subsection (d) increases the limitation fixed by law on the compensation of employees of the Senate by the amount necessary to pay the additional compensation provided by the bill.

Subsection (e) provides that the provisions of subsection (a) shall not apply automatically to employees engaged in folding speeches and pamphlets.

Subsection (f) covers elected officers of the House of Representatives (other than Members) and certain other officers of the House of Representatives who are not covered by other provisions of the bill.

Subsection (g) increases the limitation on per hour rates payable to employees of the House of Representatives engaged in folding speeches and pamphlets by an amount equal to the increases granted to legislative employees under the bill.

Subsection (h) makes clear that the increase provided by subsection (a) is to be considered a part of basic compensation for the purposes of the Civil Service Retirement Act.

89575—62——3

Section 1006.—This section provides that no employee's rate of compensation shall be reduced by enactment of the bill.

Section 1007.—Under this section, the departments and agencies are directed to provide for absorption of the costs of salary increases from available funds of the departments, but this section is not to be considered to require any employee to be separated from the service or placed in a leave-without-pay status.

Section 1008.—This section provides that title VI is to become effective on the first day of the first pay period after enactment.

TITLE III.—ADJUSTMENT OF ANNUITIES UNDER CIVIL SERVICE RETIREMENT ACT

Section 1101

Subsection (a) provides a 5 percent increase, effective January 1, 1963, in all annuities then payable from the fund which commenced on or before that date.

Subsection (b) extends this initial increase on a graduated percentage basis to all annuities which commence in the 5-year period following January 1, 1963, in accordance with the following schedule:

Annuities commencing between—	Are increased from commencing date by—
Jan. 2 and Dec. 31, 1963	4 percent.
Jan. 1 and Dec. 31, 1964	3 percent.
Jan. 1 and Dec. 31, 1965	2 percent.
Jan. 1 and Dec. 31, 1966	1 percent.

Subsection (c) provides that the percentage increase granted a retiree under subsection (a) or (b) will apply to the annuity subsequently granted his survivor, in lieu of the percentage under subsection (b) applicable to the commencing date of survivor annuity.

Subsection (d) excludes from the 1963 increase annuity amounts purchased at retirement by voluntary contributions.

Subsections (e) and (f) remove the ceilings on increases to retirees imposed by the 1952 and 1955 annuity increase laws. Under the annuity increase act of July 16, 1952, as amended by the act of August 31, 1954, no retiree's annuity (exclusive of that purchased by voluntary contributions) could be raised beyond $2,160. The act of August 11, 1955, similarly provided that no regular annuity could be increased under its terms beyond $4,104. These increase ceilings are repealed and made no longer effective on and after January 1, 1963. Each retiree affected by one or both of these ceilings who is still on the annuity rolls will be entitled to have his annuity rate reestablished as of January 1, 1963, as though these ceilings had never existed. This reestablished rate, plus a 5 percent 1963 increase, will be payable from and after January 1, 1963.

Subsection (g) states effective date provisions for increases which are included in the explanatory matter.

Subsection (h) provides that monthly annuity rates after adjustment will be fixed to the nearest dollar.

Section 1102

Subsection (a) adds a new subsection to section 1 of the Retirement Act to define the term "price index" as the calendar year average of the monthly Consumer Price Index published by the Bureau of Labor Statistics.

Subsection (b) renumbers present section 18 of the Retirment Act as section 19 and inserts a new section 18. New section 18 embodies an automatic annuity adjustment plan.

New section 18 of the Retirement Act provides for future adjustment of annuities as follows:

Subsection (a) directs the Civil Service Commission to annually determine, after January 1, 1964, and each succeeding January 1, the percentage change in living costs from 1962 or from the year preceding the most recent cost-of-living adjustment to the latest complete year. Depending on the price index change, adjustment actions ensue.

Subsection (a)(1) provides that if the price index change from 1962 to 1963 equals a rise of at least 3 percent, an increase will be allowable, effective April 1, 1964. All annuities which began before January 2, 1963, will be increased by the percentage rise in the price index, adjusted to the nearest one-tenth of 1 percent.

Subsection (a)(2) provides for automatic increases in annuities effective April 1 of any later year after the percentage change in the price index has equaled a rise of at least 3 percent. All annuities payable from the fund as of April 1 which commenced earlier than January 2 of the preceding year will be increased by the percentage rise in the price index, adjusted to the nearest one-tenth of 1 percent.

Subsection (b) states the general rule that eligibility for an increase is governed by the commencing date of each annuity payable as of the appropriate April 1 effective date, but with these exceptions to the rule:

Under subsection (b)(1), a retiree's survivor (other than a current act child survivor) on the roll as of the first cost-of-living increase, whose annuity started the date after the retiree's death, will receive the initial increase provided the retiree's commencing date of annuity was earlier than January 2 of the year preceding the first increase.

Under subsection (b)(2), the annuity of a retiree's survivor (other than a current act child survivor), which starts the day after the retiree's death and after the effective date of the first cost-of-living increase will be increased from commencing date by whatever percentage increase the retiree was receiving at death.

Under subsection (b)(3), a special method is provided for increasing annuities of child survivors under the current act. These annuities are unique in that they are not the product of years of service times percentage of average salary. The child's rate is the lesser of (i) a set percent of average salary or (ii) a dollar amount which cannot reflect living cost salary increments. Thus, for these annuities, the cost-of-living annuity adjustment must be built into the benefit formula.

The following provisions are made for child-survivor annuities which commence after the effective date of the first cost-of-living increase:

Existing formula		Increase provided—proposed increase
Spouse surviving	No spouse surviving	
40 percent of average salary divided by number of children.	50 percent of average salary divided by number of children.	Cumulative cost-of-living percent granted after commencing date of retired parent's annuity. Inapplicable to children of employee, because his average salary includes living cost adjustments which pass on to children.
$1,800 divided by number of children.	$1,160 divided by number of children.	Cumulative cost-of-living percent currently authorized. Applicable to children of retiree and employee alike, because salary living cost adjustments can never pass on to children.
$600	$720	Cumulative cost-of-living percent currently authorized. Applicable to children of retiree and employee alike, because salary living cost adjustments can never pass on to children.

Provision is made for applying these formula changes to any child's annuity which commenced in the 15-month period before the effective date of the first increase as if such initial increase had been in effect. Resulting rate adjustments would start on the effective date of the initial cost-of-living increase.

Subsection (c) excludes from cost-of-living increases annuity amounts purchased at retirement by voluntary contributions.

Subsection (d) provides that monthly annuity rates after cost-of-living increase will be fixed at the nearest dollar.

Section 1103

This section amends sections 9(g) and 10(a)(1) of the Retirement Act to revise and liberalize provisions for election of reduced annuity with benefit to widow or widower.

Present section 9(g) of the act permits a married person retiring for any reason to irrevocably elect, in lieu of single life annuity, a reduced benefit carrying with it a survivor annuity to spouse, the choice to be made at time of retirement. The retiring individual may designate all or any portion of the single life annuity (excluding any increase because of disability retirement) as the base for annuity to spouse. To partially support the added survivor protection the retiring individual accepts, for life, his or her annuity reduced by 2½ percent of the first $2,400 and by 10 percent of any amount over $2,400 designated as the base for survivor annuity. Under present section 10(a)(1), the named spouse becomes entitled to 50 percent of this base amount as widow's or widower's annuity, starting the day after the retiree's death and continuing until remarriage or death.

Under the bill, section 9(g) of the act is amended to accord the retiring married employee a reduced benefit carrying with it a survivor annuity to spouse, unless he affirmatively elects to receive in lieu thereof the single life annuity. In the absence of the life annuity election, the total annuity (excluding any increase because of disability retirement) or such lesser portion as may be designated at time of retirement will be used as the base for annuity to spouse, and the individual will receive, for life, his or her annuity reduced by 2½ percent of the first $3,600 and by 10 percent of any amount over $3,600 which serves as the base for annuity to spouse. Section

10(a)(1) of the act is amended to accord the named spouse 55 percent of the amount used for the survivor base as widow's or widower's annuity, which would start the day after the retiree's death and continue until remarriage or death.

Subsections (c), (d), and (e) similarly amend subsections (b), (c), and (e) of section 10 of the act to uniformly accord a named survivor or a spouse survivor 55 percent, instead of 50 percent, of the annuity in respect to the deceased former employee or member.

Section 1104

Provides that benefits made payable under the Retirement Act by enactment of this act shall be paid from the retirement fund. This is necessary because of the restriction contained in the paragraph headed "Civil Service Retirement and Disability Fund" in section 1 of title I of the act of August 28, 1958.

Section 1105

Specifies January 1, 1963, as the effective date for section 1. Provides that amendments made by section 3 will not apply to employees or members retired or otherwise separated prior to date of enactment.

SEPARATE ADDITIONAL VIEWS OF MR. MONRONEY

I regard it as most unfortunate that the generally sound and constructive report on this bill is marred by the language appearing on page 19, relating to the proposed adjustment in the maximum size and weight of parcel post packages. The report of the majority of the committee states:

> This committee desires to make it clear that limitations which have been recommended by this committee and approved by the Congress are intended to be binding until changed by a subsequent act of Congress.

The decision to include this language in the committee's report was taken after the most cursory discussion in executive session, on the basis of ex parte representations to individual members of the committee by representatives of the REA Express (formerly Railway Express Agency), without hearings on the question, and without affording the Post Office Department or the Department of Justice or users of parcel post any opportunity to be heard. The statement is even more objectionable because it seems to be an effort to influence the outcome of a case now pending in the Federal courts.

The history of this matter is as follows:

In April of 1961 the Postmaster General requested the consent of the Interstate Commerce Commission to reforms and revisions in rates and conditions of mailability of fourth-class mail, stating that specific proposals would be submitted when formulated. On October 21, 1961, the Post Office Department published its tentative proposals for increase in parcel post rates and reform of size and weight limitations.

REA Express filed a protest with the ICC contending that the Postmaster General had no authority to revise size and weight limitations. The Parcel Post Association filed a brief supporting the Postmaster General's authority.

Following a series of informal public conferences with interested parties, the Postmaster General on January 2, 1962, filed with the ICC specific proposals for reformation of rates and other conditions of mailability of fourth-class mail. The Commission postponed action to receive briefs directed solely at the question of its jurisdiction, and subsequently concluded that it did not have the power to review and pass upon the Postmaster General's authority to reform size and weight, conceiving its function under the statute to be primarily one of auditing the proposed rate increases to determine whether or not they met the statutory requirement that they fully compensate the Post Office for its cost in operating the parcel post system.

Thereafter, on April 11, 1962, REA Express filed a complaint in the Federal District Court for the District of Columbia, Civil Action No. 1202–62, asking for a declaratory judgment and a permanent injunction against the Postmaster General, to declare illegal and enjoin the action of the Postmaster General in effecting an increase

in the maximum size and weight of fourth-class mail. Several parties intervened. The Postmaster General, acting through the Department of Justice, moved to dismiss the complaint. Both parties have now filed motions for summary judgment. Hearing on these motions was scheduled for September 21, 1962.

Should the court determine that the plaintiff has standing to maintain the action, the issue on the merits is whether Public Law 199 (act of Oct. 24, 1951; 65 Stat. 610; 39 U.S.C. 4552), which revised the maximum size and weight limitations of fourth-class mail, withdrew the statutory authority of the Postmaster General, to change, by administrative order, with consent of the ICC, the size and weight limitations applicable to fourth-class mail. This latter authority is based on a provision appearing at 39 U.S.C. 247 (1958 Ed.), which authorizes the Postmaster General to make reforms of fourth-class mail service "in order to promote the service to the public or to insure the receipt of revenues from such service adequate to pay the cost thereof." A strong case has been made in hearings in previous Congresses that the present limitations on the size and weights of parcel post packages impose serious inconvenience and economic loss to the users of parcel post, are unnecessarily complicated and difficult to administer, and should be reformed. Moreover, Congress has imposed a mandatory duty on the Postmaster General to operate the parcel post service at a break-even level within limits of 4 percent. Unless the Postmaster General certifies to the Comptroller General that he is complying with the congressional mandate, the Treasury cannot permit withdrawal of funds to operate the Post Office Department.

A 35 percent decline in parcel post over the past 10 years is reported by the Postmaster General. That 10 years is the period during which size-weight limitations for parcel post have been sharply reduced by Public Law 199.

The Postmaster General, through his authorized representative, has certified to the Interstate Commerce Commission that merely to increase parcel post rates would continue to leave him unable to comply with the congressional mandate. He emphasized that rate increases and size-weight reformations are inseparably essential to the balance of parcel post revenue and expenditure within the 4 percent tolerance required by law.

The Post Office Department is committed to maintain a nationwide parcel post system at compensatory rates. That parcel post system must serve the rural and other sparsely populated areas which privately owned carriers cannot or will not serve.

Present parcel post size-weight restrictions prevent achieving a fully compensatory small parcel delivery service. Recourse to substantially higher parcel post rates without reform of present size-weight limits would accelerate volume diversion and further impair the parcel post system as an effective instrument of national commerce and transportation.

If the Congress intends to limit the power of the Postmaster General to reform sizes and weights of parcel post, then it is obvious that Congress must repeal its mandate that parcel post pay its way. It is clear from the experience of the Post Office Department that increases in rates alone will not maintain the parcel post system on a fiscal break-even basis.

The question of whether the Postmaster General has exceeded his statutory authority is a matter for the court to determine. The language of the committee's report can only be intended to influence the court's decision in this matter or to intimidate the Postmaster General into abandoning a reform undertaken pursuant to statute and in the public interest.

A. S. (Mike) Monroney.

INDIVIDUAL VIEWS OF MR. CLARK

Pay Reform

I join other members of the committee in recommending Senate approval of H.R. 7927 with respect to postal rates, Government employee pay, and retiree annuities and do so without reservation. However, I want to underscore that portion of the report which relates to Federal salaries and say that in my view the reform of the salary structure accomplished by this bill is incomplete.

As far reaching as it is, I regret that the pay proposal represents only a first step, albeit the major one, in bringing salaries in all branches of government to 1962 levels. We are dealing with the salary structure of the Federal Government of the United States, the major power on whom the very future of freedom in the world depends. No nation in history has undertaken responsibilities so broad in scope and effect, or of such difficulty and complexity. Yet many States, including my own Commonwealth of Pennsylvania, pay executive salaries higher than those of the Federal Government. And thousands of corporations pay far higher compensation to their officers.

The problem of attracting to the Federal service the best qualified careerists is already serious. It will only intensify in the future. Can we truly say we are prepared to face the challenge of this decade and those to come when, in fact, salaries for employees at the higher levels of the various schedules are a decade behind? I do not think so, and I do not believe we will until the reform is completed.

The committee was limited in the increases that could be granted top career officials covered by the Classification Act because the Executive Pay Act, which sets the salaries of their superiors, was not being revised at the same time. Nevertheless, we could have gone substantially further to aline the compensation of officials covered by the Classification Act with the pay scales of private industry without throwing their compensation out of line with that of the officials governed by the Executive Pay Act.

In yet another way, the bill reported leaves a job undone. The bill moves us forward in authorizing an increase in the number of jobs which may be allocated to grades GS–16, GS–17, and GS–18, but this is only a short step along the path we should travel. In my individual views in Senate Report 977 which accompanied S. 1732 a year ago, I stated that "What it should do is remove the limits altogether." I feel more strongly than ever that this is exactly what should be done. Thus, with supergrades as well, I regret the piecemeal approach to needed reform.

We supply our President with a budget of almost $100 billion a year. We approve employment of nearly 2,500,000 people. Yet we refuse to authorize him to place top Government jobs in the proper levels established by the Classification Act of 1949 as amended. We decline to permit him to follow the rule of equal pay for equal work

by saying that even if a job warrants a supergrade rating it still can only be allocated to the grade of GS–15.

This bill also falls short in its treatment of the employees of the legislative branch. It sets a ceiling for compensation of top legislative employees substantially below that paid top career officials in the executive branch. I do not concede that the responsibilities of the staff directors of Senate committees or of the senior assistants in Senators' offices are less than those of GS–17's and GS–18's in the executive branch, but the bill before us would place the upper limit on legislative staff pay at a point somewhat below the top pay allowed to a GS–17.

There are, then, the following items of unfinished reform:

(1) Consideration of salaries of top officials covered by all of the various systems, including both the executive and legislative branches of government.

(2) Completion of reform of salary scales as proposed by the President in the various schedules, to provide not only the second increment omitted in the current bill for the highest levels, but also the amounts for lower supervisory levels which had to be eliminated to retain alinement with the $20,000 ceiling recommended in the present bill.

(3) Creation of the new grades GS–19 and GS–20 as proposed by the President.

(4) Removal of the numerical limitation on positions in grades GS–16, GS–17, and GS–18.

Communist Political Propaganda

The best defense of a free society against hostile, alien propaganda is the commonsense of its people. As President Kennedy has stated, "I think the American people are used to hearing all sides, and I don't think they are particularly impressed by a good deal of what I have seen of propaganda."

I consider the committee's proposal for the detention of "Communist political propaganda" an administrative monstrosity, which violates basic constitutional civil liberties, and may well invite far-reaching retaliatory actions against Western mail by Communist bloc countries that would be adverse to our national interest.

(1) *Administrative objections.*—The committee proposal would place an enormous, costly, and unnecessary burden on the executive branch and on the recipients of certain foreign mail.

In the first place, the definition of "political propaganda" in section 1(j) of the Foreign Agents Registration Act, which is incorporated by reference by the committee, is so subjective, vague, and broad as to provide no proper standard whatsoever. According to that definition "political propaganda" includes—

> any * * * communication or expression by any person * * * which the person disseminating the same believes will, or which he intends to * * * in any way influence * * * a recipient * * * with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party or with reference to the foreign policies of the United States or promote in the United States racial, religious, or social dissensions, * * *

There is no requirement in this definition that the propaganda be reasonably adapted to lead the recipient to any belief, much less any act, inimical to the United States. As long as the detention authorities find that its authors "believe" or "intend" certain effects the propaganda, no matter how crude or ineffective, would be subject to detention. The propaganda can be directed at any policy or interest of a foreign government, regardless of whether such policy and interest happened to coincide with those of the United States. Taken literally, foreign expressions of sympathy with efforts of minority citizens of the United States to protect their full constitutional rights might fall within the sanction of propaganda designed to "promote in the United States racial or social dissension."

Second, an enormous and costly screening and notification apparatus would have to be set up to handle nonexempt mailings, if the proposal were to be applied literally. The Post Office Department advises that there are 86 points of entry of foreign mail (including 20 from Mexico, 47 from Canada) plus about 82 points of entry of airmail (including about 60 from Mexico and Canada), some in the central interior of the United States. Presumably under the committee proposal, the Secretary of the Treasury might have to assign personnel to each point of entry to check incoming mail and screen nonexempt "Communist political propaganda."

A total of 839 million pieces of mail was received from foreign countries last year. The heavy majority of these pieces were in categories other than "sealed letters." Presumably many come from Iron Curtain countries. To check all of these pieces for Communist political propaganda will pose a huge problem. How many persons would be required to administer the law proposed in the committee bill? How much would it cost? The answers are obviously large in both instances.

Clearly interpreters expert in the many scores of languages of the Communist bloc nations would have to be employed to determine whether the mail received constituted prohibited propaganda in nonexempt cases.

The committee proposal also requires a costly notification system for all addressees whose mail has been withheld.

Third, and most important, it should be noted that the committee proposal applies not only to mail coming from certain areas abroad but also to all subsequent mailings within the United States. It calls for the detention of "Communist political propaganda * * * upon its subsequent deposit in the United States domestic mails".

A monograph by Lenin printed in the Soviet Union and sent to the United States in 1922, deposited in the mail in 1962 in Topeka, Kans., for delivery to Wichita, Kans., would fall within the scope of the committee proposal.

(2) *Adverse effect on U.S. foreign policy and national interests.*—As USIA and State Department representatives indicated to the committee, the U.S. Government has a vital interest in the continued distribution of Western mails within the Communist bloc countries. Contrary to the testimony given by Representative Cunningham, Western mail in significant volume is being delivered in the Communist countries. If a universal screening procedure is established for all "Communist political propaganda" (regardless of the scope of exemptions) as the committee proposal would do, we must expect retaliatory

action by Communist countries against Western mail. There is no reason to expect that such action by the communists would exempt the same categories of mail exempted by the committee. If the Soviets end all flow of Western mail, our open society obviously loses more than the Communist closed society.

As Edward R. Murrow, Director of the U.S. Information Agency, testified, "One candle in a dark room casts far more light than 100 candles in the sunlight." To risk the extinguishment of any expression of Western viewpoint within the Communist bloc countries, for fear of risking continued delivery of inept Communist political propaganda in the United States, is clearly not in the national interest.

(3) *Constitutional objections.*—Any proposal which sets up a universal screening system for foreign mail, regardless of its exceptions, raises serious constitutional questions.

The first amendment states, "Congress shall make no law * * * abridging the freedom of speech or of the press; * * *". This basic freedom is subject to limitation only when the expression of thought presents a "clear and present danger" (*Dennis* v. *U.S.*, 341 U.S. 494 (1950)). A restriction on use of the mails may raise violations of the first amendment (*Hannegan* v. *Esquire*, 327 U.S. 146 (1946)).

Administrative orders detaining objects from the mails make "questions of procedural safeguards loom large," as Justices Brennan, Warren, and Douglas said in a concurring opinion in *Manual Enterprises* v. *Day*, decided June 25, 1962.

Mr. Justice Holmes said:

> The United States may give up the post office when it sees fit, but while it carries it on, the use of the mails is almost as much a part of free speech as the right to use our tongues, and it would take very strong language to convince me that Congress ever intended to give such a practically despotic power to any one man (*Milwaukee Publishing Co.* v. *Burleson*, 225 U.S. 407, 437 (dissenting opinion)).

While the committee proposal would permit persons who have received notices from the post office that Communist political propaganda is being held for them to file requests for such matter and obtain it, clearly a stigma might be attached to those who attempt to exercise their rights in this regard. This would be especially apt to happen in small communities where such actions are almost sure to become widely known. The information might well find its way to FBI files.

Enactment of the committee proposal would represent unfortunate and unnecessary legislation. It would not protect the national security. It might hurt it. It would be an insult to the commonsense of the American people.

JOSEPH S. CLARK.

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 39 OF THE UNITED STATES CODE

TITLE 39—THE POSTAL SERVICE

* * * * * * *

CHAPTER 5—GENERAL PROVISIONS

* * * * * * *

§ 507. Fees for special services

The Postmaster General may prescribe from time to time the fees which shall be charged by the postal service, and the manner in which they shall be collected, for—

(1) the registry of mail;

(2) the insurance of mail, or other indemnification of senders thereof for articles damaged or lost;

(3) securing a signed receipt upon the delivery of mail and returning such receipt to sender;

(4) certified mail service;

(5) collect-on-delivery service;

(6) special-delivery service;

(7) special-handling service;

(8) receipt or certificate showing mailing of registered, insured, certified, collect-on-delivery, and ordinary mail;

(9) the issue of money orders;

(10) notice to publishers of undeliverable second class mail, for notice of change of address, and notice to addressee or sender of undeliverable third or fourth class mail, or of undeliverable second class mail mailed at the transient rate;

(11) for returning undeliverable letters and parcels from the dead letter office to senders;

(12) the issuance of a permit for prepayment of postage without stamps;

(13) the entry, re-entry, or additional entry of a periodical publication as second class mail;

(14) the registry of a news agent.

Fees prescribed by the Postmaster General under paragraphs (12) to (14), inclusive, shall be collected in lieu of the corresponding fees established under section 4052(b) or 4357.

CHAPTER 7—POST OFFICES

* * * * * * *

§ 711. Method of determining gross receipts

(a) In determining gross receipts at post offices of the fourth class, the Postmaster General shall allow credit only for the postage collected in addition to the regular rate on business reply cards and letters in business reply envelopes delivered at those offices.

(b) The gross receipts do not include money received for—

(1) setting meters for patrons beyond the area served by his office unless authorized by the Department;

(2) stamps, stamped envelopes and postal cards sold in large or unusual quantities to be used in mailing matter at other offices; and

(3) stamps, stamped envelopes and postal cards sold for mailing matter diverted from other offices, and mailings of matter so diverted without stamps affixed.

(c) The part of the gross postal receipts of a post office, that are determined in accordance with estimates of the Postmaster General to be attributable to the increases in postage rates provided by [Public Law 85–426] *any Act of Congress enacted on or after May 27, 1958*, may not be counted for the purpose of determining the classes of the respective post offices and the compensation and allowances of postmasters and other employees whose compensation or allowances are based on the annual gross receipts of such post offices. This section does not operate to relegate a post office to a class or receipts category below the class or receipts category to which it may be assigned on the basis of gross postal receipts accruing during the last complete calendar year prior to May 27, 1958, or, in the case of a post office which was in existence on that date but which was not in existence during the whole of that calendar year, on the basis of gross postal receipts accruing during the last quarter prior to May 27, 1958.

* * * * * * *

CHAPTER 27—POSTAL POLICY AND FISCAL REPORTS

POSTAL POLICY

Sec.
2301. Findings of Congress.
2302. Declaration of policy.
2303. Identification of [and appropriations for] public services *and costs thereof.*
2304. Reviews, studies, surveys, and reports of Postmaster General.
2305. Effect on fourth class mail rates.
2306. Costs for establishing postal rates.

REPORTS

2331. Cost Ascertainment.
2332. Postal Modernization Fund.

§ 2301. Findings of the Congress

The Congress hereby finds that—

(1) the postal establishment was created to unite more closely the American people, to promote the general welfare, and to advance the national economy;

(2) the postal establishment has been extended and enlarged through the years into a nationwide network of services and facil-

ities for the communication of intelligence, the dissemination of information, the advancement of education and culture, and the distribution of articles of commerce and industry. Furthermore, the Congress has encouraged the use of these broadening services and facilities through reasonable and, in many cases, special postal rates;

(3) the development and expansion of these several elements of postal service, under authorization by the Congress, have been the impelling force in the origin and growth of many and varied business, commercial, and industrial enterprises which contribute materially to the national economy and the public welfare and which depend upon the continuance of these elements of postal service;

(4) historically and as a matter of public policy there have evolved, in the operations of the postal establishment authorized by the Congress, certain recognized and accepted relationships among the several classes of mail. It is clear, from the continued expansion of the postal service and from the continued encouragement by the Congress of the most widespread use thereof, that the postal establishment performs many functions and offers its facilities to many users on a basis which can only be justified as being in the interest of the national welfare;

(5) while the postal establishment, as all other Government agencies, should be operated in an efficient manner, it clearly is not a business enterprise conducted for profit or for raising general funds, and it would be an unfair burden upon any particular user or class of users of the mails to compel them to bear the expenses incurred by reason of special rate considerations granted or facilities provided to other users of the mails, or to underwrite those expenses incurred by the postal establishment for services of a nonpostal nature; and

(6) the public interest and the increasing complexity of the social and economic fabric of the Nation require an immediate, clear, and affirmative declaration of congressional policy with respect to the activities of the postal establishment including those of a public service nature as the basis for the creation and maintenance of a sound and equitable postal-rate structure which will assure efficient service, produce adequate postal revenues, and stand the test of time.

§ 2302. Declaration of policy

(a) The Congress hereby emphasizes, reaffirms, and restates its function under the Constitution of the United States of forming postal policy.

(b) It is hereby declared to be the policy of the Congress, as set forth in sections 2301–2305 of this title—

(1) that the post office is a public service;

(2) to provide a more stable basis for the postal-rate structure through the establishment of general principles, standards, and related requirements with respect to the determination and allocation of postal revenues and expenses; and

(3) in accordance with these general principles, standards, and related requirements, to provide a means by which the postal-rate structure may be fixed and adjusted by action of the Congress,

from time to time, as the public interest may require, in the light of periodic reviews of the postal-rate structure, periodic studies and surveys of expenses and revenues, and periodic reports, required to be made by the Postmaster General as provided by section 2304 of this title.

(c) The general principles, standards, and related requirement referred to in subsection (b) of this section are as follows:

(1) In the determination and adjustment of the postal-rate structure, due consideration should be given to—

(A) the preservation of the inherent advantages of the postal service in the promotion of social, cultural, intellectual, and commercial intercourse among the people of the United States;

(B) the development and maintenance of a postal service adapted to the present needs, and adaptable to the future needs, of the people of the United States;

(C) the promotion of adequate, economical, and efficient postal service at reasonable and equitable rates and fees;

(D) the effect of postal services and the impact of postal rates and fees on users of the mails;

(E) the requirements of the postal establishment with respect to the manner and form of preparation and presentation of mailings by the users of the various classes of mail service;

(F) the value of mail;

(G) the value of time of delivery of mail; and

(H) the quality and character of the service rendered in terms of priority, secrecy, security, speed of transmission, use of facilities and manpower, and other pertinent service factors.

(2) The acceptance, transportation, and delivery of first class mail constitutes a preferred service of the postal establishment and, therefore, the postage for first class mail should be sufficient to cover (A) the entire amount of the expenses allocated to first class mail in accordance with sections 2301–2305 of this title and (B) an additional amount representing the fair value of all extraordinary and preferential services, facilities, and factors relating thereto.

(3) Those services, elements of service, and facilities rendered and provided by the postal establishment in accordance with law, including services having public service aspects, which, in whole or in part, are held and considered by the Congress from time to time to be public services for the purposes of sections 2301–2305 of this title shall be administered on the following basis:

(A) the sum of such public service items as determined by the Congress should be assumed directly by the Federal Government and paid directly out of the general fund of the Treasury and should not constitute direct charges in the form of rates and fees upon any user or class of users of such public services, or of the mails generally; and

(B) nothing contained in any provision of section 2301–2305 of this title should be construed as indicating any intention on the part of the Congress (i) that such public services, or any of them, should be limited or restricted or (ii) to dero-

gate in any way from the need and desirability thereof in the public interest.

(4) Postal rates and fees shall be adjusted from time to time as may be required to produce the amount of revenue approximately equal to the total cost of operating the postal establishment less the amount [deemed] *determined under section 2303 of this title* to be attributable to the performance of public services [under section 2303(b) of this title].

§ 2303. Identification of [and appropriations for] public services *and costs thereof*

(a) The following shall be considered to be public services for the purposes of sections 2301–2305 of this title—

(1) the total loss resulting from the transmission of matter in the mails free of postage or at reduced rates of postage as provided by statute, including the following:

(A) reduced rates for certain publications as provided by [sections 4359 and 4360] *section 4359* of this title;

(B) penalty mailings of the Pan American Union and the Pan American Sanitary Bureau as provided by section 4152(a) of this title;

(C) [free-in-county] *second class mailings at postage rates* as provided by section 4358 of this title;

(D) free postage and reduced postage rates on reading matter and other articles for the blind as provided by sections 4653 and 4654 of this title;

(E) free mailing privileges for members of the diplomatic corps of the countries of the Postal Union of the Americas and Spain as provided by section 4167 of this title;

(F) free mailing privileges granted to individuals by the Act of May 7, 1945 (59 Stat. 707) and other provisions of law;

(G) reduced third-class postage rates to certain organizations as provided by section 4452 of this title;

(H) section 302 of The Federal Voting Assistance Act of 1955 (5 U.S.C. 2192), granting free postage, including free airmail postage, to post cards, ballots, voting instructions, and envelopes transmitted in the mails under authority of that Act; and

(I) reduced postage rates on books, films, and similar educational material as provided by section 4554 of this title.

[(2) the loss resulting from the operation of such prime and necessary public services as the star route system and third and fourth class post offices;]

(2) 10 per centum of the gross cost of the operation of third-class post offices and the star route system, and 20 per centum of the gross cost of the operation of fourth-class post offices and rural routes.

(3) the loss incurred in performing nonpostal services, such as the sale of documentary stamps for the Department of the Treasury;

(4) the loss incurred in performing special services such as cash on delivery, insured mail, special delivery, and money orders; and

(5) the additional cost of transporting United States mail by foreign air carriers at a Universal Postal Union rate in excess of the rate prescribed for United States carriers.

The terms "total loss" and "loss" as used in this subsection mean the amounts by which the total allocated costs incurred by the postal establishment in the performance of the public services enumerated in this subsection exceed the total revenues received by the postal establishment for the performance of such public services.

[(b) There is hereby authorized to be appropriated to the revenues of the Post Office Department for each fiscal year from any money in the Treasury not otherwise appropriated an amount, which shall be deemed to be attributable to the public services enumerated under subsection (a) of this section, equal to the total estimated expenditures of the Post Office Department for the year for such public services as determined by the Congress in the appropriation Act based upon budget estimates submitted to the Congress. The appropriations shall be available to enable the Postmaster General to pay in to postal revenues at quarterly or other intervals such sums as may be necessary to reimburse the Post Office Department for the amount attributable to public services.]

(b) The Postmaster General shall report to the Congress, on or before February 1 of each year beginning with the year 1963, the estimated amount of the losses or costs (or percentage of costs) specified in subsection (a) incurred by the postal establishment in the then current fiscal year in the performance of the public services enumerated in such subsection. The aggregate amount of the losses or costs (or percentage of costs) specified in subsection (a), incurred by the postal establishment in any fiscal year in the performance of such public services, shall be excluded from the total cost of operating the postal establishment for purposes of adjustment of postal rates and fees, including any adjustment pursuant to the provisions of section 207(b) of the Act of February 28, 1925, relating to reformation of classification (39 U.S.C., 1958 ed. 247).

* * * * * * *

PART III—PERSONNEL

Chapter
41. General Provisions 3110
43. Appointment and Assignment of Field Service Employees 3301
45. Compensation in the Postal Field Service 3501

CHAPTER 41—GENERAL PROVISIONS

Sec.
3101. Definitions.

EMPLOYEES GENERALLY

3103. Oath of office.
3104. No employee to receive fees.
3105. Detail of employees between field and department.
3106. Special compensation rules.

SPECIAL CLASSES OF EMPLOYEES

3111. Residence of postal transportation clerks.
3112. Inspectors may administer oaths.
3113. Rural carriers to furnish equipment.
3114. Rural carriers not to carry merchandise.
3115. Special delivery messengers as employees or carriers.
3116. Uniforms and badges.

§ 3101. Definitions

As used in this part—

(1) "employee", unless the context otherwise indicates, includes postmaster, officers, supervisors, and all other persons employed in the postal field service, regardless of title, other than persons who provide services for the Department on a fee, contract, job, or piecework basis;

(2) "position" means the duties and responsibilities assigned to an employee, other than duties performed on a fee, contract, job, or piecework basis;

(3) "key position" means an existing position, described in sections 3511–3531 of this title;

(4) "salary level" means the numerical standing in the Postal Field Service Schedule assigned to a position in the postal field service;

[(5) "basic salary" means the rate of annual or hourly compensation specified by law, exclusive of overtime, night differential, and longevity compensation; and

[(6) "basic compensation" means basic salary plus longevity compensation.]

(5) *"basic salary" and "basic compensation" mean the rate of annual or hourly compensation specified by law, exclusive of overtime and night differential.*

(7) "assigned to road duty" as used in reference to employees in the Motor Vehicle Service means assignment to a Motor Vehicle Service route which is not less than fifty miles in length one way.

EMPLOYEES GENERALLY

§ 3103. Oath of office

Before entering upon their duties, and before receiving any salary, the Postmaster General, and all persons employed in the Department, in addition to any other oath or affirmation required by law, shall respectively take and subscribe the following oath or affirmation:

"I, do hereby solemnly swear (or affirm, as the case may be) that I will faithfully perform all the duties required of me and abstain from everything forbidden by the laws in relation to the establishment of post offices and post roads within the United States; and that I will honestly and truly account for and pay over any money belonging to the said United States which may come into my possession or control; and I also further swear (or affirm) that I will support the Constitution of the United States; so help me God."

A person authorized to administer oaths by the laws of the United States, including section 16a of title 5, or of a State or Territory, or an officer, civil or military, holding a commission under the United States may administer and certify the oath or affirmation.

§ 3104. Employees not to receive fees

An officer or employee of the Department may not receive any fee or perquisite from a patron of the Department on account of the duties performed by virtue of his appointment, except as authorized by law.

§ 3105. Detail of employees between field and department

With the consent of the employee, the Postmaster General may detail any employee, including an employee of the departmental

service, between the postal field service and the departmental service to such extent as may be necessary to develop a more efficient working force and more effectively to perform the work of the Department. Each detail shall be made for a period of not more than one year and may be made without change in compensation of the employees so detailed.

§ *3106. Special compensation rules*

In order that the basic compensation schedules in sections 3542, 3543, and 3544 of this title may be used equitably and with maximum effect to attract and motivate employees, the Postmaster General may prescribe regulations pursuant to which he may, within the limit of available appropriations, grant to any officer or employee before the expiration of the periods prescribed by section 3552, step-increases in recognition of extra competence: Provided, That no officer or employee shall be eligible under this section for more than one such additional step-increase within any period of fifty-two weeks, and such increase shall not be considered to be an equivalent increase.

SPECIAL CLASSES OF EMPLOYEES

§ 3111. Residence of postal transportation clerks

Clerks appointed to the Postal Transportation Service to perform duty on railway post offices shall reside at some point on the route to which they are assigned unless they are authorized by the Postmaster General to reside at some other convenient point.

§ 3112. Inspectors may administer oaths

Postal inspectors may administer oaths required or authorized by law or regulation with respect to any matter coming before them in the performance of their official duties.

§ 3113. Rural carriers to furnish equipment

Rural carriers shall furnish, for prompt handling of the mail, necessary vehicles and such other equipment as the Postmaster General requires.

§ 3114. Rural carriers not to carry merchandise

Rural carriers may not solicit business or receive orders for any person. The Postmaster General may permit them to carry merchandise for hire during their hours of duty for and at the request of patrons residing on their routes.

§ 3115. Special delivery messengers as employees or carriers

(a) A person temporarily employed to deliver special delivery mail is deemed an employee of the postal service, and is subject to the provisions of chapter 83 of title 18 to the same extent as other employees of the Department.

(b) Any person, when engaged in carrying special delivery mail under contract with the Department, or employed by the Department, is deemed a carrier or person entrusted with the mail and having custody thereof, within the meaning of sections 1701, 1708, and 2114 of title 18.

§ 3116. Uniforms and badges

(a) The Postmaster General may prescribe a uniform dress to be worn by letter carriers.

(b) The Postmaster General may not require employees in the Postal Transportation Service to wear any uniform other than cap or badge.

CHAPTER 43—APPOINTMENT AND ASSIGNMENT OF FIELD SERVICE EMPLOYEES

* * * * * * *

ESTABLISHMENT OF POSITIONS

[§ 3301. Personnel requirements

[The Postmaster General shall determine the personnel requirements of the postal field service, and fix the number of supervisors and other employees in that service, except that there may not be at any one time more than—

[(1) one assistant postmaster employed at any post office;
[(2) 40 employees in positions assigned to salary level 17;
[(3) 12 employees in positions assigned to salary level 18;
[(4) four employees in positions assigned to salary level 19; or
[(5) 15 employees in positions assigned to salary level 20.

[In addition to the number of positions prescribed by subparagraphs (2) to (5), inclusive, of this section, the Postmaster General is authorized to assign a total of not more than forty positions among salary levels 17, 18, 19, and 20 as he may determine.]

§ 3301. Personnel requirements

The Postmaster General shall determine the personnel requirements of the postal field service, and fix the number of supervisors and other employees in that service, except that there may not be at any one time more than one assistant postmaster employed at any post office or a total of 70 employees assigned to salary levels 18, 19, and 20 in the postal field service.

* * * * * * *

ASSIGNMENT AND TRANSFER OF EMPLOYEES

* * * * * * *

§ 3335. Dual employment and extra duties

(a) * * *

(b) As the needs of the service require, the Postmaster General may assign an employee from time to time to perform, without change in compensation, duties, and responsibilities, other than the duties and responsibilities specifically set forth in his position description. If an employee is assigned for more than thirty days in a calendar year to duties and responsibilities of a salary level which is higher than the salary level to which his position is assigned, except to perform service in a relief capacity for a supervisor granted compensatory time pursuant to section 3573 of this title, the Postmaster General shall pay for the period of his assignment in excess of thirty days, a basic salary computed in accordance with the provisions of section 3559 of this title. *The Postmaster General may pay, as he deems advisable, in cases of such assignments, a basic salary computed in accordance with the provisions of such section 3559 without regard to the requirement in this subsection of assignment for more than thirty days in a calendar year.*

* * * * * * *

CHAPTER 45—COMPENSATION IN THE POSTAL FIELD SERVICE

POSITIONS

Sec.
3501. Ranking of positions.
3502. Appeals to Civil Service Commission.
3511. Key positions.
3512. Positions in salary level 1.
3513. Positions in salary level 2.
3514. Positions in salary level 3.
3515. Positions in salary level 4.
3516. Positions in salary level 5.
3517. Positions in salary level 6.
3518. Positions in salary level 7.
3519. Positions in salary level 8.
3520. Positions in salary level 9.
3521. Positions in salary level 10.
3522. Positions in salary level 11.
3523. Positions in salary level 12.
3524. Positions in salary level 13.
3525. Positions in salary level 14.
3526. Positions in salary level 15.
3527. Positions in salary level 16.
3528. Positions in salary level 17.
3529. Positions in salary level 18.
3530. Positions in salary level 19.
3531. Positions in salary level 20.

COMPENSATION AND ALLOWANCES

3541. Pay periods and computation of rates.
3542. Postal Field Service Schedule.
3543. Rural Carrier Schedule.
3544. Fourth Class Office Schedule.

SALARY STEPS AND PROMOTIONS

3551. Appointments to positions in the postal field service.
3552. Automatic advancement by step-increases.
3553. Creditable service for advancement.
3554. Compensation of certain temporary employees.
3555. Reduction in salary step.
3556. Automatic advancement withheld.
3557. Automatic advancement of substitute employee deferred.
[3558. Longevity step increases.]
3559. Promotions.
3560. Salary protection.

HOURS OF WORK AND OVERTIME

3571. Maximum hours of work.
3572. Minimum hours of work for hourly rate employees.
3573. Compensatory time, overtime, and holidays.
3574. Night work.
3575. Exemptions.
3576. Holiday service of rural carriers and employees assigned to road duty.

SPECIAL PROVISIONS FOR POSTAL TRANSPORTATION AND MOTOR VEHICLE SERVICES

3581. Road duty employees.
3582. Time credit for delay to trains and highway post offices.

* * * * * * *

§ 3541. Pay periods and computation of rates

* * * * * * *

(d) For purposes of computing rates of compensation other than annual rates the following rules govern:

(1) To compute an hourly rate of basic compensation for employees other than substitute employees, the annual rate of basic compensation shall be divided by 2,080.

(2) To compute an hourly rate of basic compensation for substitute employees, the annual rate of basic compensation shall be divided by 2,016.

(3) To compute the daily rate of compensation for postmasters, postal inspectors, and rural carriers (*other than substitute rural carriers*), the annual rate of compensation shall be divided by 312.

(4) To compute the daily rate of basic compensation for annual rate employees other than postmasters, postal inspectors, and rural carriers, the hourly rate of basic compensation shall be multiplied by the number of daily hours of service required.

(*5*) *To compute the daily rate of basic compensation for substitute rural carriers, the annual rate of compensation shall be divided by 304.*

* * * * * * *

§ 3542. Postal Field Service Schedule

[(a) There is established a basic salary schedule for positions in the postal field service which shall be known as the Postal Field Service Schedule, and for which the symbol shall be "PFS". Except as provided in sections 3543 and 3544 of this title, basic salary shall be paid to all employees in accordance with this schedule.

[POSTAL FIELD SERVICE SCHEDULE

Level	Per annum rates and steps						
	1	2	3	4	5	6	7
1	$3,415	$3,545	$3,675	$3,805	$3,935	$4,065	$4,195
2	3,670	3,805	3,940	4,075	4,210	4,345	4,480
3	3,955	4,100	4,245	4,390	4,535	4,680	4,825
4	4,345	4,505	4,665	4,825	4,985	5,145	5,305
5	4,605	4,765	4,925	5,085	5,245	5,405	5,565
6	4,975	5,150	5,325	5,500	5,675	5,850	6,025
7	5,370	5,555	5,740	5,925	6,110	6,295	6,480
8	5,790	5,995	6,200	6,405	6,610	6,815	7,020
9	6,225	6,480	6,705	6,930	7,155	7,380	7,605
10	6,870	7,110	7,350	7,590	7,830	8,070	8,310
11	7,560	7,820	8,080	8,340	8,600	8,860	9,120
12	8,320	8,605	8,890	9,175	9,460	9,745	10,030
13	9,160	9,470	9,780	10,090	10,400	10,710	11,002
14	10,075	10,410	10,745	11,080	11,415	11,750	12,085
15	11,075	11,440	11,805	12,170	12,535	12,900	13,265
16	12,205	12,570	12,935	13,300	13,665	14,030	14,395
17	13,505	13,870	14,235	14,600	14,965	15,330	15,695
18	15,165	15,525	15,885	16,245	16,605	16,965	16,965
19	16,585	16,945	17,095				
20	17,200						

(a) There are established basic compensation schedules for positions in the postal field service which shall be known as the Postal Field Service Schedules and for which the symbol shall be "PFS". Each such schedule shall be in effect for the period specified with respect to such schedule. Except as provided in sections 3543 and 3544 of this title, basic compensations shall be paid to all employees in accordance with these schedules.

POSTAL FIELD SERVICE SCHEDULE I

(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act, and ending immediately prior to the applicable initial effective date of the second PFS schedule set forth below)

PFS	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
1	$3,595	$3,725	$3,855	$3,985	$4,115	$4,245	$4,375	$4,505	$4,635	$4,765	$4,895	$5,025
2	3,905	4,040	4,175	4,310	4,445	4,580	4,715	4,850	4,985	5,120	5,255	5,390
3	4,230	4,375	4,520	4,665	4,810	4,955	5,100	5,245	5,390	5,535	5,680	5,825
4	4,565	4,725	4,885	5,045	5,205	5,365	5,525	5,685	5,845	6,005	6,165	6,325
5	4,965	5,130	5,295	5,460	5,625	5,790	5,955	6,120	6,285	6,450	6,615	6,780
6	5,365	5,545	5,725	5,905	6,085	6,265	6,445	6,625	6,805	6,985	7,165	7,345
7	5,805	6,000	6,195	6,390	6,585	6,780	6,975	7,170	7,365	7,560	-------	-------
8	6,285	6,495	6,705	6,915	7,125	7,335	7,545	7,755	7,965	8,175	-------	-------
9	6,805	7,030	7,255	7,480	7,705	7,930	8,155	8,380	8,605	8,830	-------	-------
10	7,395	7,640	7,885	8,130	8,375	8,620	8,865	9,110	9,355	9,600	-------	-------
11	8,045	8,310	8,575	8,840	9,105	9,370	9,635	9,900	10,165	-------	-------	-------
12	8,840	9,135	9,430	9,725	10,020	10,315	10,610	10,905	11,200	-------	-------	-------
13	9,725	10,050	10,375	10,700	11,025	11,350	11,675	12,000	12,325	-------	-------	-------
14	10,705	11,060	11,415	11,770	12,125	12,480	12,835	13,190	13,545	-------	-------	-------
15	11,780	12,170	12,560	12,950	13,340	13,730	14,120	14,510	14,900	-------	-------	-------
16	12,955	13,385	13,815	14,245	14,675	15,105	15,535	15,965	-------	-------	-------	-------
17	14,260	14,730	15,200	15,670	16,140	16,610	17,080	17,550	-------	-------	-------	-------
18	15,500	16,000	16,500	17,000	17,500	18,000	18,500	-------	-------	-------	-------	-------
19	16,750	17,250	17,750	18,250	18,750	19,250	-------	-------	-------	-------	-------	-------
20	18,000	18,500	19,000	19,500	-------	-------	-------	-------	-------	-------	-------	-------

POSTAL FIELD SERVICE SCHEDULE II

(To be effective on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

PFS	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
1	$3,690	$3,820	$3,950	$4,080	$4,210	$4,340	$4,470	$4,600	$4,730	$4,860	$4,990	$5,120
2	4,010	4,145	4,280	4,415	4,550	4,685	4,820	4,955	5,090	5,225	5,360	5,495
3	4,345	4,490	4,635	4,780	4,925	5,070	5,215	5,360	5,505	5,650	5,795	5,940
4	4,690	4,850	5,010	5,170	5,330	5,490	5,650	5,810	5,970	6,130	6,290	6,450
5	5,085	5,255	5,425	5,595	5,765	5,935	6,105	6,275	6,445	6,615	6,785	6,955
6	5,500	5,685	5,870	6,055	6,240	6,425	6,610	6,795	6,980	7,165	7,350	7,535
7	5,950	6,150	6,350	6,550	6,750	6,950	7,150	7,350	7,550	7,750	-------	-------
8	6,440	6,655	6,870	7,085	7,300	7,515	7,730	7,945	8,160	8,375	-------	-------
9	6,965	7,200	7,435	7,670	7,905	8,140	8,375	8,610	8,845	9,080	-------	-------
10	7,650	7,900	8,150	8,400	8,650	8,900	9,150	9,400	9,650	9,900	-------	-------
11	8,410	8,690	8,970	9,250	9,530	9,810	10,090	10,370	10,650	-------	-------	-------
12	9,270	9,575	9,880	10,185	10,490	10,795	11,100	11,405	11,710	-------	-------	-------
13	10,210	10,545	10,880	11,215	11,550	11,885	12,220	12,555	12,890	-------	-------	-------
14	11,240	11,610	11,980	12,350	12,720	13,090	13,460	13,830	14,200	-------	-------	-------
15	12,370	12,780	13,190	13,600	14,010	14,420	14,830	15,240	15,650	-------	-------	-------
16	13,625	14,075	14,525	14,975	15,425	15,875	16,325	16,775	-------	-------	-------	-------
17	15,000	15,495	15,990	16,485	16,980	17,475	17,970	18,465	-------	-------	-------	-------
18	15,500	16,000	16,500	17,000	17,500	18,000	18,500	-------	-------	-------	-------	-------
19	16,750	17,250	17,750	18,250	18,750	19,250	-------	-------	-------	-------	-------	-------
20	18,000	18,500	19,000	19,500	-------	-------	-------	-------	-------	-------	-------	-------

* * * * * * *

§ 3543. Rural Carrier Schedule

[(a) There is established a basic salary schedule which shall be known as the Rural Carrier Schedule, and for which the symbol shall be "RCS", for carriers in the rural delivery service, which is based in part on fixed compensation per annum and in part on specified rates per mile per annum. Basic salary shall be paid to rural carriers in accordance with this schedule.

[RURAL CARRIER SCHEDULE

Per annum rates and steps

	1	2	3	4	5	6	7
Carriers in rural delivery service:							
Fixed compensation per annum	$2,053	$2,132	$2,211	$2,290	$2,369	$2,448	$2,527
Compensation per mile per annum for each mile up to 30 miles of route	71	73	75	77	79	81	83
For each mile of route over 30 miles	24	24	24	24	24	24	24
Temporary carriers in rural delivery service on routes to which no regular carrier is assigned:							
Fixed compensation per annum	2,053	------	------	------	------	------	------
Compensation per mile per annum for each mile up to 30 miles of route	71	------	------	------	------	------	------
For each mile of route over 30 miles	24	------	------	------	------	------	------
Temporary carriers in rural delivery service on routes having regular carriers absent without pay or on military leave	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Substitute carriers in rural delivery service on routes having carriers absent with pay	(1)	(1)	(1)	(1)	(1)	(1)	(1)

[1] Basic compensation authorized for the regular carrier.

(a) There are established basic compensation schedules which shall be known as the Rural Carrier Schedules, and for which the symbol shall be "RCS". Each such schedule shall be in effect for the period specified with respect to such schedule.

RURAL CARRIER SCHEDULE I

(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act, and ending immediately prior to the applicable initial effective date of the second RCS Schedule set forth below)

	Per annum rates and steps											
	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*	*12*
Carriers in rural delivery service:												
Fixed compensation per annum	$2,027	$2,127	$2,227	$2,327	$2,427	$2,527	$2,627	$2,727	$2,827	$2,927	$3,027	$3,127
Compensation per mile per annum for each mile up to 30 miles of route	75	77	79	81	83	85	87	89	91	93	95	97
For each mile of route over 30 miles	24	24	24	24	24	24	24	24	24	24	24	24

RURAL CARRIER SCHEDULE II

(To be effective for the period beginning on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

	Per annum rates and steps											
	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*	*12*
Carriers in rural delivery service:												
Fixed compensation per annum	$2,080	$2,180	$2,280	$2,380	$2,480	$2,580	$2,680	$2,780	$2,880	$2,980	$3,080	$3,180
Compensation per mile per annum for each mile up to 30 miles of route	77	79	81	83	85	87	89	91	93	95	97	99
For each mile of route over 30 miles	25	25	25	25	25	25	25	25	25	25	25	25

* * * * * * *

(c) The Postmaster General may pay such additional compensation as he may determine to be fair and reasonable in each individual case to rural carriers serving heavily patronized routes [not exceeding sixty-one miles in length. He may not pay additional compensation to a carrier serving such a route in an amount which would exceed the basic salary for the maximum step in the Rural Carrier Schedule for a route sixty-one miles in length, when added to the basic salary for the maximum step in the Rural Carrier Schedule for his route. In case such a heavily patronized route is extended in length, the rural carrier assigned to the route at the time of the extension may not be reduced in pay].

* * * * * * *

(f) In addition to the compensation provided in the Rural Carrier Schedule, each rural carrier shall be paid for equipment maintenance a sum equal to—

(1) [10] *12* cents per mile for each mile or major fraction of a mile scheduled or

(2) [$3.50] *$4.20* per day, whichever is greater.

In addition to the allowance provided by the preceding sentence, the Postmaster General may pay such amount as he determines to be fair and reasonable, not in excess of $2.50 per day, to rural carriers entitled to additional compensation under subsection (c) of this section for servicing heavily patronized routes. Payment for equipment maintenance shall be made at the same periods and in the same manner as payments of regular compensation.

* * * * * * *

(i) Each person serving as a substitute of record on the effective date of this subsection shall be placed in step 2 of the Rural Carrier Schedule and he shall be advanced by step-increases, on the basis of time on the rolls prior to the effective date, in accordance with the schedule of step-increases provided in section 3552, except that no such person shall be so advanced to a step higher than the step to which a regular carrier with the same length of service would have advanced prior to such effective date. Thereafter, he shall be advanced by step-increases, pursuant to the provisions of sections 3552 and 3553 of this title. On and after the effective date of this subsection, each substitute rural carrier shall be paid the daily rate, based on the step attained by him, for the route on which service is performed.

(j) Each temporary rural carrier who, on the effective date of this subsection, is serving on a vacant route pending the appointment of a regular rural carrier shall be placed in step 2 and shall be advanced by step increases on the basis of any prior substitute or temporary rural carrier service in accordance with the schedule of step increases provided in section 3552.

* * * * * * *

§ 3544. Fourth Class Office Schedule

[(a) There is established a basic salary schedule which shall be known as the Fourth Class Office Schedule, and for which the symbol shall be "FOS", for postmasters in post offices of the fourth class which is based on the gross postal receipts as contained in returns of the post office for the calendar year immediately preceding. Basic salary shall be paid to postmasters in post offices of the fourth class in accordance with this schedule, and basic salary so paid, together with other forms of compensation provided by this title, shall replace existing forms of compensation for those postmasters.

FOURTH-CLASS OFFICE SCHEDULE

Gross receipts	Per annum rates and steps						
	1	2	3	4	5	6	7
$1,300 to $1,499.99	$2,979	$3,078	$3,177	$3,276	$3,375	$3,474	$3,573
$900 to $1,299.99	2,730	2,820	2,910	3,000	3,090	3,180	3,270
$600 to $899.99	2,234	2,309	2,384	2,459	2,534	2,609	2,684
$350 to $599.99	1,737	1,794	1,851	1,908	1,965	2,022	2,079
$250 to $349.99	1,242	1,282	1,322	1,362	1,402	1,442	1,482
$200 to $249.99	993	1,025	1,057	1,089	1,121	1,153	1,185
$100 to $199.99	745	769	793	817	841	865	889
Under $100	495	511	527	543	559	575	591

(a) There are established basic compensation schedules which shall be known as the Fourth Class Office Schedules, and for which the symbol shall be "FOS", for postmasters in post offices of the fourth class. Each such schedule shall be in effect for the period specified with respect to such schedule. Each such schedule is based upon the gross postal receipts as contained in returns of the post office for the calendar year immediately preceding. Basic compensation shall be paid to postmasters in post offices of the fourth class in accordance with these schedules.

FOURTH CLASS OFFICE SCHEDULE I

(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act and ending immediately prior to the applicable initial effective date of the second FOS schedule set forth below)

Gross receipts	*Per annum rates and steps*											
	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*	*12*
$1,300 to $1,499.99	*$3,277*	*$3,386*	*$3,495*	*$3,604*	*$3,713*	*$3,822*	*$3,931*	*$4,040*	*$4,149*	*$4,258*	*$4,367*	*$4,476*
$900 to $1,299.99	*3,003*	*3,102*	*$3,201*	*3,300*	*3,399*	*3,498*	*3,597*	*3,696*	*3,795*	*3,894*	*3,993*	*4,092*
$600 to $899.99	*2,457*	*2,540*	*2,623*	*2,706*	*2,789*	*2,872*	*2,955*	*3,038*	*3,121*	*3,204*	*3,287*	*3,370*
$350 to $599.99	*1,911*	*1,973*	*2,035*	*2,097*	*2,159*	*2,221*	*2,283*	*2,345*	*2,407*	*2,469*	*2,531*	*2,593*
$250 to $349.99	*1,366*	*1,410*	*1,454*	*1,498*	*1,542*	*1,586*	*1,630*	*1,674*	*1,718*	*1,762*	*1,806*	*1,850*
$200 to $249.99	*1,092*	*1,128*	*1,164*	*1,200*	*1,235*	*1,272*	*1,308*	*1,344*	*1,380*	*1,416*	*1,452*	*1,488*
$100 to $199.99	*820*	*846*	*872*	*898*	*924*	*950*	*976*	*1,002*	*1,028*	*1,054*	*1,080*	*1,106*
Under $100	*545*	*562*	*579*	*596*	*613*	*630*	*647*	*664*	*681*	*698*	*715*	*732*

FOURTH CLASS SCHEDULE II

(To be effective on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

Gross receipts	*Per annum rates and steps*											
	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*	*12*
$1,300 to $1,499.99	$3,426	$3,540	$3,654	$3,768	$3,882	$3,996	$4,110	$4,224	$4,338	$4,452	$4,566	$4,680
$900 to $1,299.99	3,140	3,243	3,346	3,449	3,552	3,655	3,758	3,861	3,964	4,067	4,170	4,273
$600 to $899.99	2,569	2,655	2,741	2,827	2,913	2,999	3,085	3,171	3,257	3,343	3,429	3,515
$350 to $599.99	1,998	2,063	2,128	2,193	2,258	2,323	2,388	2,453	2,518	2,583	2,648	2,713
$250 to $349.99	1,428	1,474	1,520	1,566	1,612	1,658	1,704	1,750	1,796	1,842	1,888	1,934
$200 to $249.99	1,142	1,179	1,216	1,253	1,290	1,327	1,364	1,401	1,438	1,475	1,512	1,549
$100 to $199.99	857	884	911	938	965	992	1,019	1,046	1,073	1,111	1,127	1,154
Under $100	569	588	607	626	645	664	683	702	721	740	759	778

(b) The basic salary of postmasters in fourth-class post offices shall be readjusted for changes in gross receipts at the start of the first pay period after the beginning of each fiscal year. *When a post office is restored to a gross receipts category held by it prior to relegation to a lower gross receipts category, the postmaster's basic salary shall be adjusted to the highest salary step held by him when the post office was in the higher gross receipts category.* In *all other cases, in* adjusting a postmaster's basic salary under this section, the basic salary shall be fixed at the lowest step which is higher than the basic salary received by the postmaster at the end of the preceding fiscal year. If there is no such step the basic salary shall be fixed at the highest step for the adjusted gross receipts of the office. Each increase in basic salary because of change in gross receipts shall be deemed the equivalent of a step-increase under section 3552 of this title and the waiting period, for purposes of advancement to the next step, shall begin on the date of adjustment.

SALARY STEPS AND PROMOTIONS

* * * * * * *

[§ 3552. Automatic Advancement by Step Increases

[(a) Except as to a substitute employee in the Postal Transportation Service whose position is allocated to salary level PFS–5 as a distribution clerk in a railway or highway post office each employee whose position is allocated to the Rural Carrier Schedule, the Fourth Class Office Schedule, or the Postal Field Service Schedule, who has not reached the highest step for his position, shall be advanced successively to the next higher step for his position at the beginning of the first pay period following the completion of each fifty-two calendar weeks of satisfactory service, if no equivalent increase in basic salary from any cause was received during the period of fifty-two calendar weeks. The benefits of successive step-increases shall be preserved, under regulations prescribed by the Postmaster General, for employees whose continuous service is interrupted by service in the Armed Forces.

[(b) Each substitute employee in the Postal Transportation Service, whose position is allocated to salary level PFS–5 as a distribution clerk in a railway or highway post office, shall be advanced in the manner prescribed for other employees under subsection (a) of this section, but may not be advanced beyond step four of salary level PFS–5.]

§ 3552. Automatic Advancement by Step-Increases

(a) (1) Each employee in levels 1 through 6 of the Postal Field Service Schedule, each employee subject to the Rural Carrier Schedule, and each employee subject to the Fourth Class Office Schedule, who has not reached the highest step for his position, shall be advanced successively to the next higher step as follows:

(A) To steps 2, 3, 4, 5, 6, and 7—at the beginning of the first pay period following the completion of fifty-two calendar weeks of satisfactory service; and,

(B) To steps 8 and above—at the beginning of the first pay period following the completion of one hundred and fifty-six calendar weeks of satisfactory service.

(2) Each employee in the postal field service in level 7 or above of the Postal Field Service Schedule, who has not reached the highest step for his position, shall be advanced successively to the next higher step, as follows:

(A) To steps 2, 3, and 4—at the beginning of the first pay period following the completion of fifty-two calendar weeks of satisfactory service;

(B) To steps 5, 6, and 7—at the beginning of the first pay period following the completion of one hundred and four calendar weeks of satisfactory service; and,

(C) To steps 8 and above—at the beginning of the first pay period following the completion of one hundred and fifty-six calendar weeks of satisfactory service.

(3) The receipt of an equivalent increase during any of the waiting periods specified in this subsection shall cause a new full waiting period to commence for further step-increases.

(b) Any increase in basic compensation granted by law on or after the date of enactment of the Postal Employees Salary Adjustment Act of 1962, to employees in the postal field service shall not be deemed to be an equivalent increase in basic compensation within the meaning of subsection (a) of this section.

(c) The benefit of successive step-increases shall be preserved, under regulations prescribed by the Postmaster General, for employees whose continuous service is interrupted by service in the armed services.

* * * * * * *

[§ 3554. Compensation of certain temporary employees

[Temporary employees hired for a continuous period of one year or less for a position under the Postal Field Service Schedule shall be paid a basic salary at the entrance step for the salary level of the position to which they are appointed.]

§ 3554. Compensation of certain temporary employees

Temporary employees hired for a continuous period of one year or less for a position in the postal field service shall be paid basic compensation at the entrance step of the position to which they are appointed.

* * * * * * *

[§ 3558. Longevity Step Increases

[(a) There are established for each employee longevity steps A, B, and C. For each promotion to a longevity step—

[(1) each postmaster at a post office of the fourth class shall receive an amount equal to 5 per centum of his basic salary, or $100 per annum, whichever is the lesser; and

[(2) each employee, other than a postmaster at a post office of the fourth class, shall receive $100 per annum.

In computing the percentage increase under this subsection the amount of the increase shall be rounded to the nearest dollar. A half dollar or one-half cent shall be rounded to the next highest dollar or cent, respectively.

[(b) Each employee shall be assigned to—

[(1) longevity step A at the beginning of the pay period following the completion of thirteen years of service;

[(2) longevity step B at the beginning of the pay period following the completion of eighteen years of service; and

[(3) longevity step C at the beginning of the pay period following the completion of twenty-five years of service.

[(c) (1) There shall be credited, for the purposes of subsection (b) time on the rolls—

[(A) in the postal field service or in the Post Office Department, except time on the rolls as a substitute rural carrier;

[(B) in the custodial service of the Department of the Treasury continuous to the date of the transfer of the employee to the custodial service of the Post Office Department in accordance with Executive Order Numbered 6166, dated June 10, 1933;

[(C) as a special delivery messenger at a first class post office;

[(D) as a clerk in a third class post office for which payment is made from authorized allowances;

[(E) under the Postal Accounts Division, including time on the rolls under the former Post Office Department Division, in the General Accounting Office continuous to the date of the transfer of the employee to the Post Office Department in accordance with section 7(a) of the Post Office Department Financial Control Act of 1950; and

[(F) in the Panama Canal Zone postal service.

[(2) In determining longevity credit for the purposes of subsection (b) in the case of an employee whose continuous service in the postal field service or in the departmental service of the Post Office Department is interrupted by service with the Armed Forces or to comply with a transfer during war or national emergency as defined by the United States Civil Service Commission, time engaged in that service with the Armed Forces or on the transfer shall be credited pro rata for each week of the service. Service specified in this subsection, whether continuous or intermittent, shall be credited on the basis of one week for each whole week the employee has been on the rolls, except that credit may not be allowed for time on the rolls under a temporary appointment for one year or less unless the time on the rolls is continuous to the date of appointment to a position of unlimited duration.

[(d) Increases under this section are not equivalent increases within the meaning of section 3552 of this title.

[(e) Payment of longevity compensation may not be made by reason of clause (F) of subsection (c)(1) of this section, for any period prior to September 6, 1958.

[§ 3559. Promotions

[(a) An employee who is promoted or transferred to a position in a higher salary level of the Postal Field Service Schedule shall be paid

basic salary at the lowest step of the higher salary level which exceeds his existing basic salary by not less than the amount of difference between the entrance step of the salary level from which promoted and the entrance step of the salary level immediately above the salary level from which promoted. If there is no step in the salary level to which the employee is promoted which exceeds his existing basic salary by at least the amount of the difference, the employee shall be paid (1) the maximum step of the salary level to which promoted, or (2) his existing basic salary, whichever is higher.

[(b) Regular clerks and carriers in first and second class post offices are not eligible for promotion to positions of higher salary levels in their respective offices unless they are in the maximum steps in their respective salary levels. If for any reason clerks and carriers in the maximum steps are not available those clerks and carriers in the lower steps in the offices are eligible for the promotion.]

§ *3559. Promotions*

An employee who is promoted to a position in the Postal Field Service Schedule which is not more than two salary levels above the salary level of the position from which promoted shall be paid basic compensation at the lowest step of the higher salary level which exceeds his existing basic compensation by not less than two steps of the salary level from which promoted. An employee who is promoted to a position in the Postal Field Service Schedule which is more than two salary levels above the level of the position from which promoted shall be paid basic compensation at the lowest step of the higher salary level which exceeds his existing basic compensation by not less than three steps of the salary level from which promoted. If there is no step in the salary level to which the employee is promoted which exceeds his existing basic compensation by at least the amount of the specified difference, the employee shall be paid the rate for the maximum step of the salary level to which promoted, or his existing basic compensation, whichever is higher.

§ 3560. Salary protection

(a) As used in this section, the term "salary standing" means—

(1) basic salary and salary level, with respect to the Postal Field Service Schedule [(excluding salary levels PFS 17, 18, 19, and 20)].

(2) salary for the particular route (including additional compensation for forty hours and under for serving heavily patronized routes), with respect to the Rural Carrier Schedule, and

(3) gross receipts category, with respect to the Fourth-Class Office Schedule.

(b) Subject to the provisions of subsection (c) of this section, each employee—

(1) who at any time on or after July 1, 1961, is or was reduced in salary standing;

(2) who, on the effective date of such reduction in salary standing, holds or held a career appointment or a probational appointment in the postal field service;

(3) whose reduction in salary standing is not or was not caused by a demotion for personal cause, is not or was not at his own request, is not or was not a condition of his temporary promotion or temporary assignment to a higher salary standing, is not or was not a condition of his temporary appointment, and

is not or was not effected in a reduction in force due to lack of funds or curtailment of work;

[(4) who, for two continuous years immediately prior to such reduction in salary standing, served in the postal field service with the same salary standing or with the same and higher salary standing; and]

(4) who, for two continuous years immediately prior to such reduction in salary standing, served in the postal field service with any salary standing higher than the salary standing to which he is reduced; and

(5) whose performance of work at all times during such period of two years is or was satisfactory;

shall be entitled, as of the effective date of such reduction in salary standing or as of the first day of the first pay period which begins on or after the date of enactment of this section, whichever is later, unless or until he is entitled to receive basic salary at a higher rate by reason of the operation of this section, or until the expiration of a period of two years immediately following the effective date of such reduction in salary standing or immediately following the first day of such first pay period, as applicable, to receive the rate of basic salary to which he was entitled immediately prior to such reduction in salary standing (including each increase provided by law in such rate of basic salary) so long as he continues in the postal field service without any break in service of one workday or more and is not demoted or reassigned for personal cause, at his own request, or in a reduction in force due to lack of funds or curtailment of work.

(c) The rate of basic salary to which such employee is entitled under subsection (b) of this section with respect to each reduction in salary standing to which this section applies shall be the lesser of the following:

(A) the amount of the existing rate of basic salary of the employee immediately prior to the reduction in salary standing (including each increase provided by law in such rate); or

(B) the amount of the rate of the salary level or salary range (including each increase provided by law in such rate) to which the employee is reduced, increased by 25 per centum [.]; *or*

(C) the amount of the rate in the lowest salary standing which such employee held during the two years immediately preceding such reduction in salary standing augmented by each step increase which he would have earned in such salary standing and by each increase provided by law in such salary rate.

(d) The Postmaster General is authorized to issue regulations to carry out the purposes of this section.

(e)(1) For the purposes of section 3559(a), the existing basic salary shall be the basic salary which the employee would have received except for the provisions of this section.

(2) For the purposes of section 3544(h), the basic compensation earned shall be the basic compensation which the employee would have received except for the provisions of this section.

(f) For the purposes of this section the term "curtailment of work" does not include—

(1) reductions in class or gross receipts category of any post office, or

(2) reductions in route mileage for rural carriers.

* * * * * * *

CHAPTER 51—NONMAILABLE MATTER

Sec.
4001. Nonmailable matter.
4002. Nonmailable fourth class matter.
4003. Mail bearing a fictitious name or address.
4004. Delivery of mail to persons not residents of the place of address.
4005. Fraudulent and lottery matter.
4006. "Unlawful" matter.
4007. Detention of mail for temporary periods.
4008. Communist political propaganda.

* * * * * * *

§ *4008. Communist political propaganda*

(a) Mail matter, except sealed letters, which originates or which is printed or otherwise prepared in a foreign country and which is determined by the Secretary of the Treasury pursuant to rules and regulations to be promulgated by him to be "communist political propaganda", shall be detained by the Postmaster General upon its arrival for delivery in the United States, or upon its subsequent deposit in the United States domestic mails, and the addressee shall be notified that such matter has been received and will be delivered only upon the addressee's request, except that such detention shall not be required in the case of any matter which is furnished pursuant to subscription or which is otherwise ascertained by the Postmaster General to be desired by the addressee. If no request for delivery is made by the addressee within a reasonable time, which shall not exceed 60 days, the matter detained shall be disposed of as the Postmaster General directs.

(b) For the purposes of this section, the term "communist political propaganda" means political propaganda, as defined in section 1(j) of the Foreign Agents Registration Act of 1938, as amended (22 U.S.C. 611(j)), issued by or on behalf of any country with respect to which there is in effect a suspension or withdrawal of tariff concessions pursuant to section 5 of the Trade Agreements Extension Act of 1951 or section 231 of the Trade Expansion Act of 1962, or any country from which any type of foreign assistance is withheld pursuant to section 620(f) of the Foreign Assistance Act of 1961, as amended.

(c) The provisions of this section shall not be applicable with respect to (1) matter addressed to any United States Government agency, or any library, or to any college, university, graduate school, or scientific or professional institution for advanced studies, or any individual connected therewith, or (2) material whether or not "communist political propaganda" addressed for delivery in the United States pursuant to a reciprocal international agreement under which the United States Government mails an equal amount of material for delivery in any country described in subsection (b).

CHAPTER 53—THE SEVERAL CLASSES OF MAIL

Sec.
4051. Prepayment of postage.
4052. Method of paying postage.
4053. Postage meters.
4054. Postage collection on Armed Forces mail.
4055. Refund of postage.
4056. Acceptance of letters by transportation employees or carriers.
4057. Opening first class mail.
4058. Wrapping matter not charged with first class postage.
4059. Addresses on postal cards and unsealed circulars.
4060. Foreign publications free from customs duty.

89575—62——5

§ 4051. Prepayment of postage

Except as otherwise provided by law, postage shall be prepaid at the time of mailing.

§ 4052. Method of paying postage

(a) Postage may be prepaid—

(1) by postage stamps;

(2) by postage meter stamps;

(3) without stamps as prescribed by the Postmaster General for second class matter mailed by the publisher or registered news agent;

(4) as prescribed by the Postmaster General for controlled circulation publications or for matter mailed at the bulk rates; or

(5) under a permit, without stamps, issued by the Postmaster General.

(b) The fee for a permit under subsection (a)(5) is [$10] *$15* and shall be paid at the time of application.

* * * * * * *

CHAPTER 59—FIRST CLASS MAIL

* * * * * * *

§ 4253. Postage rates on first class mail

(a) Postage on first class mail is computed separately on each letter or piece of mail. The rate of postage on first class mail is [four] *five* cents for each ounce or fraction of an ounce, except that the rate—

(1) on drop letters is [three] *four* cents for each ounce or fraction of an ounce;

(2) for each single postal card and each portion of a double postal card, including the cost of manufacture, is [three] *four* cents;

(3) for each post card and the initial portion of each double post card conforming to section 4251(c) of this title is [three] *four* cents.

(b) The rate of postage on business reply mail is the regular rate prescribed in subsection (a) of this section together with an additional charge thereon of two cents for each piece weighing two ounces or less and five cents for each piece weighing more than two ounces. The postage and charge shall be collected on delivery.

§ 4254. Business reply mail

The Postmaster may accept for transmission in the mails, without prepayment of postage, business reply cards, letters, and business reply envelopes, and any other matter under business reply labels.

CHAPTER 61—AIR MAIL AND AIR PARCEL POST

Sec.

4301. Definitions.
4302. Treatment of air mail.
4303. Postage rates on air mail.
4304. Postage on Alaskan air mail.
4305. Size and weight limits.

§ 4301. Definitions

As used in this chapter—

(1) "domestic air mail" means matter bearing postage at the rates of postage prescribed in sections 4303 and 4304 of this title which is

mailed in the United States Postal Service for transportation by air and delivery by the United States Postal Service.

(2) "air parcel post" means domestic air mail of any class weighing in excess of eight ounces.

§ 4302. Treatment of air mail

(a) Except with respect to the postage required, domestic air mail, other than air parcel post, shall be treated as first class mail.

(b) The Postmaster General shall prescribe the conditions under which air parcel post shall be—

(1) forwarded or returned to the sender;

(2) charged with forwarding or return postage; and

(3) registered, insured, or given C.O.D. service.

§ 4303. Postage rates on air mail

(a) Except as provided in section 4304 of this title and subsection (b) of this section the rate of postage on domestic air mail weighing not more than eight ounces is [seven] *eight* cents for each ounce or fraction thereof.

(b) The rate of postage on each postal card and post card sent as domestic air mail is [five] *six* cents.

(c) The rate of postage on letters in business reply envelopes and on business reply cards sent as domestic air mail is the regular rate prescribed in subsection (a) or (b) together with an additional charge thereon of two cents for each piece weighing two ounces or less and five cents for each piece weighing more than two ounces. The postage and charge shall be collected on delivery.

(d)(1) The rates of postage on air parcel post are based on the eight zones established for fourth class mail in accordance with the following table:

Zones	First pound over 8 ounces or fraction thereof	Additional pounds or fraction thereof
	Cents	*Cents*
1, 2, and 3	[60] *68*	48
4	[65] *73*	50
5	[70] *78*	56
6	[75] *83*	64
7	[75] *83*	72
8	[80] *88*	80

(2) The rate of postage on airmail of the first class weighing in excess of eight ounces shall be the rate provided [for air parcels, but in no case shall be less than 3 cents an ounce or fraction thereof] *by subsection (a) for each ounce not in excess of eight ounces, plus 5 cents for each ounce or fraction thereof in excess of eight ounces, but in no case less than the rate provided under paragraph (1) for air parcels.*

(3) In addition to parcels to which it is otherwise applicable, the eighth zone includes, for purposes of this section only, parcels transported as follows:

(A) between the United States, its Territories and possessions or the Commonwealth of Puerto Rico, and the Canal Zone,

(B) between the United States, its Territories and possessions or the Commonwealth of Puerto Rico, and Army and Air Forces

post offices and naval vessels and commands, when the address is in care of Fleet Post Offices, New York, New York, or San Francisco, California.

(e) Air parcel post of light weight in relation to size is subject to such surcharge as the Postmaster General determines to be warranted by reason of the extra space and care required in handling and transporting it.

* * * * * * *

CHAPTER 63—SECOND CLASS MAIL AND CONTROLLED CIRCULATION PUBLICATIONS

SECOND CLASS MAIL

Sec.
4351. Definition.
4352. Entry as second class mail.
4353. Entry of foreign publications.
4354. Conditions for entry of publications.
4355. Conditions for entry of publications of certain organizations.
4356. Conditions for entry of publications of State departments of agriculture.
4357. Fees for entry and registration.
4358. Postage rates within county of publication.
4359. Postage rates beyond county of publication.
[4360. Minimum postage.]
[4361. Rates for proofs of advertisements.]
4362. Transient postage rate.
4363. Separation by mailer of second class mail.
4364. Information to be furnished by mailer.
4365. Permissible marks and enclosures.
4366. Permissible supplements.
4367. Marking of advertising matter.
4368. Affidavits relating to mailings, second class mail.
4369. Affidavits relating to publications of the second class.
4370. Delivery of newspapers by postal transportation service.

CONTROLLED CIRCULATION PUBLICATIONS

4421. Definition.
4422. Rates.

* * * * * * *

§ 4355. Conditions for entry of publications of certain organizations

(a) Mailable periodical publications meeting the first three conditions of section 4354(a) of this title are entitled to be entered and mailed as second class mail when they do not contain advertising other than that of the publisher and if they are—

(1) published by a regularly incorporated institution of learning; or

(2) published by a regularly established State institution of learning supported in whole or in part by public taxation; or

(3) a bulletin issued by a State board of health, *or a State industrial development agency*; or

(4) a bulletin issued by a State conservation or fish and game agency or department; or

(5) a bulletin issued by a State board or department of public charities and corrections; or

(6) published by or under the auspices of a benevolent or fraternal society or order organized under the lodge system and having a bona fide membership of not less than 1,000 persons; or

(7) published by or under the auspices of a trades union; or

(8) published by a strictly professional, literary, historical, or scientific society; or

(9) published by a church or church organization[.]; *or*

(10) published by any public or nonprofit private elementary school or secondary institution of learning or its administrative or governing body.

* * * * * * *

§ 4357. Fees for entry and registration

(a) The fees for entry as second class mail are as follows—

(1) for a publication having a circulation of not more than 2,000 copies, [$25] *$30*;

(2) for a publication having a circulation of more than 2,000 copies but not more than 5,000 copies, [$50] *$60*;

(3) for a publication having a circulation of more than 5,000 copies, [$100] *$120*.

(b) The fee for re-entry of a publication as second class mail on account of change in title, frequency of issue, office of publication or for other reasons is [$10] *$15*. The fee for each additional entry is [$10] *$15, except that if the additional entry is made within zones 3 to 8, inclusive, (determined from the office of publication and entry) of the zones established for purposes of fourth-class mail, such fee shall be $50.*

(c) The fee for registry of a news agent is [$20] *$25*.

(d) The applicant shall pay the fees fixed by this section at the time of application. [The Postmaster General shall return one-half of any fee paid under subsection (a) of this section to the applicant if he denies the application.]

§ 4358. Postage rates within county of publication

[(a) One copy each of a publication admitted as second class mail may be mailed free to each actual subscriber if the subscriber—

[(1) resides in the county in which the publication is printed in whole or in part and in which it is published; and

[(2) receives his mail at an office at which letter carrier service is not established.

[(b) Except as provided in subsection (a) of this section and subject to the minimum rates provided by section 4360 of this title, the rate of postage on publications admitted as second class mail when addressed for delivery within the county in which they are published and entered is as follows—

[(1) if mailed for delivery by letter carrier at the office of mailing:

[(A) publications issued more frequently than weekly, one cent a copy;

[(B) publications issued weekly, one cent a pound;

[(C) publications issued less frequently than weekly—
[(i) weighing two ounces or less, one cent a copy;
[(ii) weighing more than two ounces, two cents a a copy;
[(2) if mailed for delivery at the office of mailing through post office boxes, general delivery or by rural or star route carrier, one cent a pound;
[(3) if mailed for delivery at an office other than the office of mailing, one cent a pound.]

(c) When copies of a publication are mailed at a post office where it is entered for delivery by letter carrier at a different post office within the delivery limits of which the headquarters or general business office of the publisher is located the rate of postage is—

(1) the rate that would be applicable if the copies were mailed at the latter post office, or

(2) the pound rates from the office of mailing if those rates are higher.

(a) Except as provided in subsection (b), the rate of postage on publications admitted as second-class mail when addressed for delivery within the county in which they are published and entered is as follows:

[*In cents*]

	Mailed after January 6, 1963 and prior to January 1, 1965	*Mailed after December 31, 1964*
Rate per pound	*1*	*1¼*
Minimum charge per piece	*⅛*	*¼*

(b) The rate of postage on the following publications admitted as second class mail when mailed for delivery, within the county in which they are published and entered, by letter carrier at the office of mailing, shall be—

(1) publications issued more frequently than weekly, one cent a copy;

(2) publications issued less frequently than weekly—

(A) weighing two ounces or less, one cent a copy;

(B) weighing more than two ounces, two cents a copy.

§ 4359. Postage rates beyond county of publication

(a) Except as provided in sections 4358[, 4361,] and 4362 of this title, the rates of postage set out in this section are applicable to copies of publications entered as second class mail when (1) mailed by the publisher thereof from the post office of publication and entry or other post office where entry is authorized and (2) when mailed by news agents, registered as such under regulations prescribed by the Postmaster General, to actual subscribers thereto or to other news agents for the purpose of sale and (3) sample copies to the extent of 10 per centum of the weight of copies mailed to subscribers during the calendar year.

[(b) Subject to the minimum rates provided by section 4360 of this title, the rates of postage on publications mailed in accordance with subsection (a) of this section are fixed by the pound as follows:

	Classroom publications	Other publications		
		Mailed during calendar year 1959	Mailed during calendar year 1960	Mailed after Dec. 31, 1960
Advertising portion:				
Zones 1 and 2	1.5	2.2	2.6	3.0
Zone 3	2.0	3.0	3.5	4.0
Zone 4	3.0	4.5	5.2	6.0
Zone 5	4.0	6.0	7.0	8.0
Zone 6	5.0	7.7	8.7	10.0
Zone 7	6.0	9.2	11.0	12.0
Zone 8	7.0	11.0	12.5	14.0
Nonadvertising portion	1.5	2.1	2.3	2.5
A publication of a qualified nonprofit organization		1.5	1.5	1.5

(b)(1) Except as provided by paragraphs (2), (3), and (4), the rates of postage on publications mailed in accordance with subsection (a) are as follows:

[*In cents*]

	Mailed after Jan. 6, 1963, and prior to Jan. 1, 1964	*Mailed during calendar year 1964*	*Mailed after Dec. 31, 1964*
Rate per pound:			
Advertising portion:			
Zones 1 and 2	3.4	3.8	4.0
Zone 3	4.4	4.8	5.0
Zone 4	6.4	6.8	7.0
Zone 5	8.4	8.8	9.0
Zone 6	10.4	10.8	11.0
Zone 7	12.0	12.0	12.0
Zone 8	14.0	14.0	14.0
Nonadvertising portion	2.6	2.7	2.8
Minimum charge per piece	.6	.8	1.0

(2) The postage on classroom publications is 60 per centum of the postage computed in accordance with paragraph (1).

(3) The rates of postage on publications of a qualified nonprofit organization mailed in accordance with subsection (a) are as follows:

[*In cents*]

	Mailed after Jan. 6, 1963, and prior to Jan. 1, 1964	*Mailed during calendar year 1964*	*Mailed after Dec. 31, 1964*
Rate per pound	1.6	1.7	1.8
Minimum charge per piece	⅛	¼	¼

(4) In lieu of the minimum charge per piece prescribed by paragraph (1), the minimum charge per piece to be paid by the following publications (other than publications to which paragraph (2) or paragraph (3) is applicable) shall be as follows—

(A) publications mailing fewer than 5,000 copies per issue outside the county of publication—one-half cent per piece;

(B) any issue of a publication the advertising portion of which does not exceed 5 per centum of the entire issue—.55 of a cent per

piece when mailed after January 6, 1963 and prior to January 1, 1964, .65 of a cent per piece when mailed during calendar year 1964, and .75 of a cent per piece when mailed after December 31, 1964.

* * * * * * *

(e) As used in this section the term—

(1) * * *

(2) "a publication of a qualified nonprofit organization" means a publication published by and in the interest of one of the following types of organizations or associations if it is not organized for profit and none of its net income inures to the benefit of any private stockholder or individual: Religious, educational, scientific, philanthropic, agricultural, labor, veterans', [and] fraternal, *and associations of rural electric cooperatives, and not to exceed one publication published by the official highway agency of a State which meets all of the requirements of section 4354 and which contains no advertising;* and

* * * * * * *

[§ 4360. Minimum postage *for second-class mail*

[The following are the minimum rates for each individually addressed copy of second-class mail:

SECOND-CLASS MINIMUM RATES

[In cents]

	Mailed during calendar year 1959	Mailed during calendar year 1960	Mailed after Dec. 31, 1960
For delivery within county of publication except when mailed free under sec. 4358(a) of this title	1/8	1/8	1/8
For delivery beyond county of publication:			
Classroom and nonprofit organization publication	1/8	1/8	1/8
Other publications	1/4	3/8	1/2

[§ 4361. Rates for proofs of advertisements

[The publisher may mail single sheets or portions thereof from any publication entered as second class mail, to an advertiser or his agent as proof of the insertion of an advertisement, at the zone rates of postage applicable to the advertising portions of second class mail under section 4359 of this title.]

§ 4362. Transient postage rate

The rate of postage on copies of publications having second class entry mailed—

(1) by persons other than the publishers or registered news agents;

(2) as sample copies by the publishers in excess of the 10 per centum permitted to be mailed at the pound rates; and

(3) copies mailed by the publishers to persons who may not be included in the required legitimate list of subscribers;

is [two] *four* cents for the first two ounces and one cent for each additional ounce or fraction thereof. When postage at the rates prescribed for fourth class mail is lower, the latter applies. The rates

are computed on each individually addressed copy or package of unaddressed copies.

* * * * * * *

CONTROLLED CIRCULATION PUBLICATIONS

§ 4421. Definition

Controlled circulation publications are those publications which—

(1) contain twenty-four pages or more;

(2) are issued at regular intervals of four or more times a year;

(3) devote 25 per centum or more of their pages to text or reading matter and not more than 75 per centum to advertising matter;

(4) may be circulated free or mainly free; and

(5) are not owned and controlled by one or several individuals or business concerns and conducted as an auxiliary to and essentially for the advancement of the main business or calling of those who own or control them.

§ 4422. Rates of postage

The postage rate on controlled circulation publications found by the Postmaster General to meet the definition contained in section 4421 of this title when mailed in the manner prescribed by the Postmaster General, is [12 cents a pound or fraction thereof] *12½ cents a pound or fraction thereof when mailed after January 6, 1963, and prior to January 1, 1964, 13 cents a pound or fraction thereof when mailed during calendar year 1964, and 13½ cents a pound or fraction thereof when mailed after December 31, 1964,* regardless of the weight of the individual copies, with a minimum charge of 1 cent for each piece. The rates provided in this section shall remain in effect until otherwise provided by the Congress.

CHAPTER 65—THIRD CLASS MAIL

Sec.

4451. Definition.
4452. Postage rates.
4453. Permissible marks and enclosures.

§ 4451. Definition

(a) Third class mail consists of mailable matter which is—

(1) not mailed or required to be mailed as first class mail;

(2) not entered as second class mail; and

(3) less than sixteen ounces in weight.

(b) A person who presents for mailing at one time twenty or more identical copies of bills and statements of account produced by any photographic or mechanical process, other than typewriting, may mail them as third class mail. In other cases, bills and statements of account shall be mailed as first class mail.

(c) Circulars, including printed letters which according to internal evidence are being sent in identical terms to several persons, are third class mail. A circular does not lose its character as such when the date and name of the addressee and of the sender are written therein, nor by the correction in writing of mere typographical errors.

(d) Unsealed letters written in point print or raised characters, or on sound reproduction records, used by the blind are third class mail

without regard to the limit on weight prescribed in subsection [(a)(2)] *(a)(3)* of this section.

(e) Printed matter within the limit of weight set forth in subsection (a) of this section is third class mail. For the purpose of this subsection, printed matter is paper on which words, letters, characters, figures or images, or any combination thereof, not having the character of actual and personal correspondence, have been reproduced by any process other than handwriting or typewriting.

§ 4452. Postage rates

[(a) Subject to the minimum charge per piece provided in subsections (b) and (c) of this section, the postage rates on third-class mail are as follows:

Type of mailing	Rate	Unit
	Cents	
(1) Individual piece	3	First 2 ounces or fraction thereof.
	1½	Each additional ounce or fraction thereof.
(2) Bulk mailings under subsec. (e) of this section of—		
(A) Books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions and plants.	10	Each pound or fraction thereof.
(B) Other matter	16	Do.

[(b) Matter mailed in bulk under subsection (e) of this section is subject to the following minimum charge for each piece unless a higher minimum rate is applicable under subsection (c) of this section:

[In cents]

Mailed by—	Through June 30, 1960	After June 30, 1960
Other than qualified nonprofit organizations	2	2½
Qualified nonprofit organizations	(1)	(1)

[1] One-half the minimum charge applicable to other than nonprofit organizations.

[(c) The minimum postage rate on pieces or packages of third-class mail of such size or form as to prevent ready facing and tying in bundles and requiring individual distribution is 3½ cents.]

(a) Except as provided in subsection (c) of this section, and subject to the minimum charge per piece provided in subsection (b) of this section, the postage rates on third-class mail are as follows:

Type of mailing	*Rate*	*Unit*
	Cents	
(1) Individual piece	*4*	*First 2 ounces or fraction thereof.*
	2	*Each additional ounce or fraction thereof.*
(2) Bulk mailings under subsec. (e) of this section of:		
(A) Books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions and plants.	*12*	*Each pound or fraction thereof.*
(B) Other matter	*18*	*Do.*

(b) Matter mailed in bulk under subsection (e) of this section is subject to a minimum charge for each piece of 2⅝ cents when mailed subsequent to January 6, 1963 and prior to January 1, 1964, 2⅞ cents when mailed during calendar year 1964, or 2⅞ cents when mailed after December 31, 1964.

(c) *The postage on matter mailed in bulk under subsection (e) by qualified nonprofit organizations is 50 per centum of the postage computed in accordance with subsections (a) and (b).*

(d) The term "qualified nonprofit organization" as used in [subsections (a) and (b) of] this section means religious, educational, scientific, philanthropic, agricultural, labor, veterans, or fraternal organizations or associations not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual. Before being entitled to the preferential rates set out in [subsections (a) and (b) of] this section, the organization, or association shall furnish proof of its qualifications to the Postmaster General.

(e) Upon payment of a fee of [$20] *$30* for each calendar year or portion thereof, any person may mail in the manner directed by the Postmaster General, separately addressed, identical pieces of third class mail in quantities of not less than [twenty] *fifty* pounds or of not less than two hundred pieces subject to pound rates of postage applicable to the entire bulk mailed at one time.

* * * * * *

CHAPTER 67—FOURTH-CLASS MAIL

Sec.
4551. Definition.
4552. Size and weight limitations.
4553. Postal zones.
4554. Postage rates on books and films.
4555. Permissible marks and enclosures.

* * * * * * *

§ 4552. Size and weight limitations

(a) * * *

(b) The maximum size of fourth class mail is one hundred inches in girth and length combined and the minimum weight is sixteen ounces and the maximum seventy pounds for parcels—

* * * * * * *

(5) addressed to or mailed in the Commonwealth of Puerto Rico, the [Territory of Hawaii] *States of Alaska and Hawaii,* or a possession of the United States including the Canal Zone and the Trust Territory of the Pacific Islands; and

* * * * * * *

§ 4554. Postage rates on books, films, and similar educational materials

(a) Except as provided in subsection (b) of this section, the postage rate is [9] *9½* cents a pound for the first pound or fraction thereof and 5 cents for each additional pound or fraction [thereof on—] *thereof when mailed after January 6, 1963 and prior to January 1, 1964, and 10 cents for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof when mailed after December 31, 1963, except that the rate now or hereafter prescribed for third- or fourth-class matter shall apply in every case where such rate is lower than the rate prescribed in this subsection on—*

(1) books permanently bound for preservation, consisting wholly of reading matter or scholarly bibliography or reading matter with incidental blank spaces for [students'] notations and containing no advertising matter other than incidental announcement of books;

(2) 16-millimeter films and 16-millimeter film catalogs except when sent to commercial theaters;

(3) printed music, whether in bound form or in sheet form;

(4) printed objective test materials and accessories thereto used by or in behalf of educational institutions in the testing of ability, aptitude, achievement, interests, and other mental and personal qualities with or without answer, test scores, or identifying information recorded thereon in writing, or by mark;

(5) [phonograph] *sound* recordings, *including incidental announcements of recordings and guides or scripts prepared solely for use with such recordings*; [and]

(6) manuscripts for books, periodicals and music[.]*;*

(7) *printed educational reference charts, permanently processed for preservation; and*

(8) *looseleaf pages, and binders therefor, consisting of medical information for distribution to doctors, hospitals, medical schools, and medical students.*

(b)(1) Matter designated in paragraph (2) of this subsection may be mailed at the regular third or fourth class postage rates, or at the rate of 4 cents for the first pound or fraction thereof and 1 cent for each additional pound or fraction thereof when loaned or exchanged (*including cooperative processing by libraries*) between—

(A) schools, colleges or universities;

(B) public libraries, religious, educational, scientific, philanthropic, agricultural, labor, veterans', or fraternal organizations or associations, not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual, or between such organizations and their members, readers or borrowers.

(2) The materials mailable under the rates prescribed in paragraph (1) of this subsection are—

(A) books consisting wholly of reading matter or scholarly bibliography or reading matter with incidental blank spaces for [students'] notations and containing no advertising matter other than incidental announcements of books;

(B) printed music, whether in bound form or in sheet form;

(C) bound volumes of academic theses in typewritten or other duplicated form;

(D) [bound volumes of periodicals] *periodicals, whether bound or unbound;*

(E) [phonograph] *sound* recordings; and

(F) other library materials in printed, duplicated, or photographic form or in the form of unpublished manuscripts.

(3) Before being entitled to the preferential rates under this subsection, the Postmaster General may require an organization or association to furnish satisfactory evidence to him that none of the net income inures to the benefit of any private stockholder or individual.

(c) 16-millimeter films, filmstrips, transparencies for projection, slides, microfilms, sound recordings, [and catalog of those items] *scientific or mathematical kits, instruments, or other devices and catalogs of those items, and guides or scripts prepared solely for use with such materials* may be mailed at the rates prescribed in subsection (b) (1) of this section when sent to or from the institutions, organizations or associations listed in (A) and (B) of subsection (b) (1).

(d) The limit of weight on parcels mailed under this section is 70 pounds.

(e) The postage rates prescribed in this section shall continue until otherwise provided by the Congress.

* * * * * * *

CHAPTER 69—POSTAGE RATES FOR MISCELLANEOUS MATTER WITHIN THE VARIOUS CLASSES

Sec.
4651. Keys and other small articles.
[4652. Congressional Record.]
4653. Publications for the blind.
4654. Reproducers and sound reproduction records for the blind.

§ 4651. Keys and other small articles

(a) Any person may mail without prepayment of postage a key, identification card, identification tag, or similar identification device, or small article which the Postmaster General by regulation designates, which bears, contains, or has attached securely thereto—

(1) a complete, definite, and legible post office address, including any street address or box or route number; and

(2) a notice directing that it be returned to the address, and guaranteeing the payment, on delivery, of the postage due thereon.

(b) Postage at the rate of [5] *6* cents for each two ounces or fraction thereof shall be collected on delivery.

[§ 4652. Congressional Record

[The postage on each copy of the daily Congressional Record mailed from the District of Columbia as transient matter is one cent.]

* * * * * * *

[§ 4653. Publications for the blind

[(a) The following matter may be mailed free of postage—

[(1) books, pamphlets, and other reading matter:

[(A) published either in raised characters, whether prepared by hand, or printed, or in the form of sound reproduction records, for use of the blind;

[(B) in packages not exceeding the weight prescribed by the Postmaster General;

[(C) containing no advertising or other matter whatever;

[(D) unsealed;

[(E) sent by public institutions for the blind or by any public library as a loan to blind readers, or when returned by the latter to the institutions or public libraries; and

[(2) magazines, periodicals and other regularly issued publications:

[(A) published either in raised characters, whether prepared by hand or printed, or in the form of sound reproduction records, for the use of the blind;

[(B) containing no advertising;

[(C) for which no subscription fee is charged; and

[(3) books or pages thereof:

[(A) published in raised characters, whether prepared by hand or printed;

[(B) containing no advertising;

[(C) sent to a blind person without cost to the blind person.

[(b) There may be mailed at the rate of postage of one cent for each pound or fraction thereof, magazines, periodicals, and other regularly issued publications—

[(1) published either in raised characters, whether prepared by hand or printed, or in the form of sound reproduction records, for the use of the blind;

[(2) containing no advertisements; and

[(3) when furnished by an organization, institution, or association not conducted for private profit, to a blind person, at a price not greater than the cost price thereof.

[(c) Volumes of the Holy Scriptures or part thereof, published either in raised characters, whether prepared by hand or printed or in the form of sound reproduction records for the use of the blind, which do not contain advertisements—

[(1) when furnished to a blind person without charge by an organization, institution, or association not conducted for private profit, may be mailed free of postage; and

[(2) when furnished to a blind person at a price not greater than the cost thereof by an organization, institution, or association, not conducted for private profit, may be mailed at the rate of one cent for each pound or fraction thereof.

[§ 4654. Reproducers and sound reproduction records for the blind

[(a) The postage rate is one cent a pound or fraction thereof on reproducers for sound reproduction records for the blind, or parts thereof, which are the property of the United States Government sent for repair or returned after repair—

[(1) by an organization, institution, public library, or association for the blind, not conducted for private profit;

[(2) by a blind person to such an agency not conducted for private profit;

[(3) from such an agency to an organization, institution, public library, or association for the blind not conducted for private profit; or

[(4) to a blind person.

[(b) The Postmaster General may extend the rate set out in subsection (a) of this section to reproducers or parts thereof for sound reproduction records for the blind, Braille writers and other appliances for the blind, or parts thereof, that are the property of—

[(1) State governments or subdivisions thereof; or

[(2) public libraries;

[(3) private agencies for the blind not conducted for private profit; or

[(4) blind individuals.]

§ 4653. Publications for Blind Persons

(a) The following matter may be mailed free of postage—

(1) books, pamphlets, and other reading matter, including pages thereof:

(A) published (whether prepared by hand, or printed) either in raised characters or in sight-saving-size type, or in the form of sound recordings, for use of blind persons;

(B) in packages not exceeding the weight prescribed by the Postmaster General;

(C) containing no advertising or other matter whatsoever;
(D) unsealed;
(E) sent—
(i) by an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, as a loan to blind readers, or when returned by the blind reader to the lender; or
(ii) to a blind person without cost to the blind person; or
(iii) to an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, to be furnished to a blind person without cost to such blind person.

(2) magazines, periodicals and other regularly issued publications:
(A) published (whether prepared by hand, or printed) either in raised characters or in sight-saving-size type, or in the form of sound recordings, for use of blind persons;
(B) containing no advertising;
(C) for which no subscription fee is charged.

(b) There may be mailed at the rate of postage of one cent for each pound or fraction thereof—
(1) books, pamphlets, and other reading matter, including pages thereof:
(A) published (whether prepared by hand, or printed) either in raised characters or in sight-saving-size type, or in the form of sound recordings, for use of blind persons;
(B) in packages not exceeding the weight prescribed by the Postmaster General;
(C) containing no advertising or other matter whatsoever;
(D) unsealed;
(E) sent—
(i) by an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, on a rental basis to blind readers, or when returned by the blind reader to such organizations, at a price not greater than the cost price thereof; or
(ii) to a blind person at a price not greater than the cost price thereof; or
(iii) to an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, to be furnished to a blind person at a price not greater than the cost price thereof.

(2) magazines, periodicals and other regularly issued publications:
(A) published (whether prepared by hand, or printed) either in raised characters or in sight-saving-size type, or in the form of sound recordings, for use of blind persons;
(B) containing no advertising;

(C) when furnished by an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, to a blind person, at a price not greater than the cost price thereof.

§ *4654. Reproducers, sound recordings, and other materials and appliances for the preparation of reading matter for blind persons*

(a) Reproducers, or parts thereof, for sound recordings for blind persons which are the property of the United States Government may be mailed free of postage when sent for repair, or returned after repair—

(1) by an organization, institution, public library, or association for blind persons, not conducted for private profit;

(2) by a blind person to such an agency not conducted for private profit;

(3) from such an agency to an organization, institution, public library, or association for blind persons not conducted for private profit; or

(4) to a blind person.

(b) The Postmaster General may extend the free mailing privilege provided by subsection (a) of this section to reproducers or parts thereof for sound recordings for blind persons, braille writers and other appliances for blind persons, or parts thereof, that are the property of—

(1) State governments or subdivisions thereof;

(2) public libraries;

(3) private agencies for the blind not conducted for private profit; or

(4) blind individuals.

(c) The Postmaster General may also permit the mailing free of postage of paper, records, tapes, and other materials for use by the recipients for the production (whether by hand or printed) of reading matter either in raised characters or sight-saving-size type, or in the form of sound recordings, for use of blind persons, where such materials are the property of—

(1) State governments or subdivisions thereof;

(2) public libraries;

(3) private agencies for the blind not conducted for private profit; or

(4) blind individuals.

* * * * * * *

§ 6402. Authority to contract for mail transportation

(a) The Postmaster General may contract for necessary domestic or foreign transportation of mail, except that—

* * * * * * *

[(4) delivery and collection service may not be established or extended under a star route contract if a majority of the patrons on the route has been served by a rural delivery route for which a qualified rural carrier can be obtained; and]

(4) delivery and collection service may not be established or extended under a star route contract on a rural route except when such rural route does not meet the minimum standards established by the Postmaster General, and becomes vacant, and

THE CLASSIFICATION ACT OF 1949

* * * * * * *

TITLE V—AUTHORITY AND PROCEDURE

* * * * * * *

SEC. 505. (a) * * *

(b) Subject to subsections (c), (d), (e), (f), (g), and (j) of this section, a majority of the Civil Service Commissioners are authorized to establish and, from time to time, revise the maximum numbers of positions (not to exceed an aggregate of [nineteen hundred and eighty-nine] *twenty-four hundred, in addition to any professional engineering positions primarily concerned with research and development and professional positions in the physical and natural sciences and medicine which may be placed in such grades*) which may be in grades 16, 17, and 18 of the General Schedule at any one time, except that under such authority—

(1) not to exceed 25 per centum of such aggregate number may be placed in grade 17 and not to exceed 12 per centum of such aggregate number may be placed in grade 18;

(2) fifty of such positions shall be available only for allocation, with the approval of the President, for agencies or functions created after the date of enactment of this subparagraph;

(3) fourteen of such positions shall be available only for allocation to the United States Arms Control and Disarmament Agency;

(4) six of such positions shall be available only for allocation to the Immigration and Naturalization Service of the Department of Justice; and

(5) four of such positions shall be available only for allocation to the Federal Home Loan Bank Board.

* * * * * * *

(j) The Secretary of Defense is authorized, subject to the standards and procedures prescribed by this Act, to place a total of four hundred seven positions (*in addition to any professional engineering positions primarily concerned with research and development and professional positions in the physical and natural sciences and medicine which may be placed in such grades*) in the Department of Defense in grades 16, 17, and 18 of the General Schedule.

(*k*) *The Attorney General is authorized, without regard to any other provision of this section, to place a total of ten positions of Warden in the Bureau of Prisons in grade 16 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grade by subsection* (*b*).

(*l*) *The Attorney General is authorized, without regard to any other provision of this section, to place a total of eight positions of Member of the Board of Parole in grade 17 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grade by subsection* (*b*).

* * * * * * *

89575—62——6

SEC. 507. (a) Subject to the limitation contained in subsection (c) of this section, each officer or employee subject to this Act—

(1) who at any time after June 17, 1956, is or was reduced in grade from any grade of a basic compensation schedule of this Act [(other than grade 16, 17, or 18 of the General Schedule)];

(2) who, on the effective date of such reduction in grade, holds or held a career or career-conditional appointment in the competitive civil service or an appointment of equivalent tenure in the excepted service or holds or held a position outside the competitive civil service and the excepted service as an officer or employee of the Library of Congress, of the Architect of the Capitol, of the Botanic Garden, or of the municipal government of the District of Columbia;

(3) whose reduction in grade is not or was not caused by a demotion for personal cause, is not or was not at his own request, is not or was not effected in a reduction in force due to lack of funds or curtailment of work and, with respect to each temporary promotion occurring on or after the date of enactment of this amendment, is not a condition of his temporary promotion to a higher grade;

(4) who, for two continuous years immediately prior to such reduction in grade, served (A) in the same department and (B) [in the same grade or in the same and higher grades;] *in any grade or grades higher than the grade to which demoted;* and

(5) whose performance of work at all times during such period of two years is or was satisfactory or better than satisfactory,

shall be entitled, as of the effective date of such reduction in grade or as of the first day of the first pay period which begins after the date of enactment of this amendment, whichever is later, unless or until he is entitled to receive basic compensation at a higher rate by reason of the operation of this Act, or until the expiration of a period of two years immediately following the effective date of such reduction in grade or immediately following the first day of such first pay period, as applicable, to receive the rate of basic compensation to which he was entitled immediately prior to such reduction in grade (including each increase provided by law in such rate of basic compensation) so long as he continues in the same department without any break in service of one workday or more and is not demoted or reassigned for personal cause, at his own request, or in a reduction in force due to lack of funds or curtailment of work.

(b) Subject to the limitation contained in subsection (c) of this section, each officer or employee subject to this Act—

(1) who, during the period beginning July 1, 1954, and ending June 17, 1956, was reduced in grade from any grade of a basic compensation schedule of this Act (other than grade 16, 17, or 18 of the General Schedule);

(2) whose reduction in grade was not caused by a demotion for personal cause, was not at his own request, and was not effected in a reduction in force due to lack of funds or curtailment of work;

(3) who, for two continuous years immediately prior to such reduction in grade, served (A) in the same department and (B) in the same grade or in the same and higher grades;

(4) whose performance of work at all times during such period of two years was satisfactory or better than satisfactory; and

(5) whose employment in the same department has been continuous since such reduction in grade and who, since such reduction in grade, has not been demoted or reassigned for personal cause, at his own request, or in a reduction in force due to lack of funds or curtailment of work,

shall be entitled, as of the first day of the first pay period which begins after the date of enactment of this amendment, unless or until he is entitled to receive basic compensation at a higher rate by reason of the operation of this Act, or until the expiration of a period of two years immediately following the first day of such first pay period, as applicable, to receive the rate of basic compensation to which he was entitled immediately prior to such reduction in grade (including each increase provided by law in such rate of basic compensation) so long as he continues in the same department without any break in service of one workday or more and is not demoted or reassigned for personal cause, at his own request, or in a reduction in force due to lack of funds or curtailment of work.

(c) The rate of basic compensation to which such officer or employee is entitled under subsection (a) or (b) of this section with respect to each reduction in grade to which this section applies shall not exceed the sum of (1) the minimum scheduled rate of the grade to which he is reduced under each such reduction in grade occurring on or after July 1, 1954 (including each increase provided by law in such rate), and (2) the difference between his rate immediately prior to the first of such reductions in grade occurring on or after July 1, 1954 (including each increase provided by law in such rate), and the minimum scheduled rate of that grade which is three grades lower than the grade from which he was reduced under the first of such reductions in grade (including each increase provided by law in such rate).

(d) The Civil Service Commission is authorized to issue regulations to carry out the purposes of this section.

* * * * * * *

TITLE VI—BASIC COMPENSATION SCHEDULES

* * * * * * *

SEC. 603. (a) The rates of basic compensation with respect to officers, employees, and positions to which this Act applies shall be in accordance with the compensation schedule contained in subsection (b).

(b) The compensation [schedule] *schedules* for the General Schedule shall be as follows:

[

Grade	Per annum rates						
GS-1	$3,185	$3,290	$3,395	$3,500	$3,605	$3,710	$3,815
GS-2	3,500	3,605	3,710	3,815	3,920	4,025	4,130
GS-3	3,760	3,865	3,970	4,075	4,180	4,285	4,390
GS-4	4,040	4,145	4,250	4,355	4,460	4,565	4,670
GS-5	4,345	4,510	4,675	4,840	5,005	5,170	5,335
GS-6	4,830	4,995	5,160	5,325	5,490	5,655	5,820
GS-7	5,355	5,520	5,685	5,850	6,015	6,180	6,345
GS-8	5,885	6,050	6,215	6,380	6,545	6,710	6,875
GS-9	6,435	6,600	6,765	6,930	7,095	7,260	7,425
GS-10	6,995	7,160	7,325	7,490	7,655	7,820	7,985
GS-11	7,560	7,820	8,080	8,340	8,600	8,860	------
GS-12	8,955	9,215	9,475	9,735	9,995	10,255	------
GS-13	10,635	10,895	11,155	11,415	11,675	11,935	------
GS-14	12,210	12,470	12,730	12,990	13,250	13,510	------
GS-15	13,730	14,055	14,380	14,705	15,030	------	------
GS-16	15,255	15,515	15,775	16,035	16,295	------	------
GS-17	16,530	16,790	17,050	17,310	17,570	------	------
GS-18	18,500	------	------	------	------	------	------

]

COMPENSATION SCHEDULE I

(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act, and ending immediately prior to the applicable initial effective date of Compensation Schedule II set forth below)

Grade	*Per annum rates and steps*									
	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*
GS-1	*$3,245*	*$3,350*	*$3,455*	*$3,560*	*$3,665*	*$3,770*	*$3,875*	*$3,980*	*$4,085*	*$4,190*
GS-2	*3,560*	*3,665*	*3,770*	*3,875*	*3,980*	*4,085*	*4,190*	*4,295*	*4,400*	*4,505*
GS-3	*3,820*	*3,925*	*4,030*	*4,135*	*4,240*	*4,345*	*4,455*	*4,580*	*4,705*	*4,830*
GS-4	*4,110*	*4,250*	*4,390*	*4,530*	*4,670*	*4,810*	*4,950*	*5,090*	*5,230*	*5,370*
GS-5	*4,565*	*4,725*	*4,885*	*5,045*	*5,205*	*5,365*	*5,525*	*5,685*	*5,845*	*6,005*
GS-6	*5,035*	*5,205*	*5,375*	*5,545*	*5,715*	*5,885*	*6,055*	*6,225*	*6,395*	*6,565*
GS-7	*5,540*	*5,725*	*5,910*	*6,095*	*6,280*	*6,465*	*6,650*	*6,835*	*7,020*	*7,205*
GS-8	*6,090*	*6,295*	*6,500*	*6,705*	*6,910*	*7,115*	*7,320*	*7,525*	*7,730*	*7,935*
GS-9	*6,675*	*6,900*	*7,125*	*7,350*	*7,575*	*7,800*	*8,025*	*8,250*	*8,475*	*8,700*
GS-10	*7,290*	*7,535*	*7,780*	*8,025*	*8,270*	*8,515*	*8,760*	*9,005*	*9,250*	*9,495*
GS-11	*8,045*	*8,310*	*8,575*	*8,840*	*9,105*	*9,370*	*9,635*	*9,900*	*10,165*	------
GS-12	*9,475*	*9,790*	*10,105*	*10,420*	*10,735*	*11,050*	*11,365*	*11,680*	*11,995*	------
GS-13	*11,150*	*11,515*	*11,880*	*12,245*	*12,610*	*12,975*	*13,340*	*13,705*	*14,070*	------
GS-14	*12,845*	*13,270*	*13,695*	*14,120*	*14,545*	*14,970*	*15,395*	*15,820*	*16,245*	------
GS-15	*14,565*	*15,045*	*15,525*	*16,005*	*16,485*	*16,965*	*17,445*	*17,925*	------	------
GS-16	*16,000*	*16,500*	*17,000*	*17,500*	*18,000*	------	------	------	------	------
GS-17	*18,000*	*18,500*	*19,000*	*19,500*	*20,000*	------	------	------	------	------
GS-18	*20,000*	------	------	------	------	------	------	------	------	------

COMPENSATION SCHEDULE II

(To be effective on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

Grade	Per annum rates and steps									
	1	2	3	4	5	6	7	8	9	10
GS-1	$3,305	$3,410	$3,515	$3,620	$3,725	$3,820	$3,935	$4,040	$4,145	$4,250
GS-2	3,620	3,725	3,830	3,935	4,040	4,145	4,250	4,355	4,460	4,565
GS-3	3,880	3,985	4,090	4,195	4,300	4,405	4,525	4,650	4,775	4,900
GS-4	4,215	4,355	4,495	4,635	4,775	4,915	5,055	5,195	5,335	5,475
GS-5	4,690	4,850	5,010	5,170	5,330	5,490	5,650	5,810	5,970	6,130
GS-6	5,235	5,410	5,585	5,760	5,935	6,110	6,285	6,460	6,635	6,810
GS-7	5,795	5,990	6,185	6,380	6,575	6,770	6,765	7,160	7,355	7,550
GS-8	6,390	6,600	6,810	7,020	7,230	7,440	7,650	7,860	8,070	8,280
GS-9	7,030	7,260	7,490	7,720	7,950	8,180	8,410	8,640	8,870	9,100
GS-10	7,690	7,945	8,200	8,455	8,710	8,965	9,220	9,475	9,730	9,985
GS-11	8,410	8,690	8,970	9,250	9,530	9,810	10,090	10,370	10,650	-------
GS-12	9,980	10,310	10,640	10,970	11,300	11,630	11,960	12,290	12,620	-------
GS-13	11,725	12,110	12,495	12,880	13,265	13,650	14,035	14,420	14,805	-------
GS-14	13,615	14,065	14,515	14,965	15,415	15,865	16,315	16,765	17,215	-------
GS-15	15,665	16,180	16,695	17,210	17,725	18,240	18,755	19,270	-------	-------
GS-16	16,000	16,500	17,000	17,500	18,000	-------	-------	-------	-------	-------
GS-17	18,000	18,500	19,000	19,500	20,000	-------	-------	-------	-------	-------
GS-18	20,000	-------	-------	-------	-------	-------	-------	-------	-------	-------

* * * * * * *

TITLE VII—STEP-INCREASES

SEC. 701. (a) Each officer or employee compensated on a per annum basis, and occupying a permanent position within the scope of the compensation schedules fixed by this Act, who has not attained the maximum [scheduled] rate of compensation for the grade in which his position is placed, shall be advanced in compensation successively to the next higher rate within the grade at the beginning of the next pay period following the completion of (1) each fifty-two calendar weeks of service [if his position is in a grade in which the step-increases are less than $200, or (2) each seventy-eight calendar weeks of service if his position is in a grade in which the step-increases $200 or more] *in salary rates 1, 2, and 3, or (2) each one hundred and four calendar weeks of service in salary rates 4, 5, and 6, or (3) each one hundred and fifty-six calendar weeks of service in salary rates 7, 8, and 9,* subject to the following conditions:

(A) That no equivalent increase in compensation from any cause was received during such period [, except increase made pursuant to section 702 or 1002];

[(B) That he has a current performance rating of "Satisfactory" or better; and]

(B) That his work is of an acceptable level of competence as determined by the head of the department; and

(C) That the benefit of successive step-increases shall be preserved, under regulations issued by the [Commission] *Commission*, for officers and employees whose continuous service is interrupted in the public interest by service with the [armed forces] *Armed Forces* or by service in essential non-Government civilian employment during a period of war or national emergency.

(b) Any increase in compensation granted by law [after June 30, 1951,] shall not be construed to be an equivalent increase in compensation within the meaning of subsection (a).

[NOTE.—Sec. 702 of the Classification Act of 1949 was repealed by sec. 305 of the Act of Sept. 1, 1954 (68 Stat. 1113; Public Law 763, 83d Cong.).]

[SEC. 703. (a) Subject to subsection (b) and as a reward for long and faithful service, each department shall grant an additional step-increase (to be known as a longevity step-increase) beyond the maximum scheduled rate of the grade in which his position is placed, to each officer or employee for each three years of continuous service completed by him at such maximum rate or at a rate in excess thereof authorized by this section without increase in grade or rate of basic compensation except such increase as may be prescribed by any provision of law of general application. Officers and employees who are otherwise eligible shall receive full credit under this subsection for service at the maximum authorized salary rate specified in the Bachrach Act of May 29, 1928, as amended and supplemented, and the Reed-Jenkins Act of May 29, 1928, as amended to the same extent as if such service had been at the maximum rate of a grade of the Classification Act of 1923, as amended.

[(b)(1) No officer or employee shall be entitled to a longevity step-increase while holding a position in any grade above grade 15 of the General Schedule.

[(2) No officer or employee shall receive a longevity step-increase unless his current performance rating is "Satisfactory" or better.

[(3) No officer or employee shall receive more than one longevity step-increase for any three years of continuous service.

[(4) Each longevity step-increase shall be equal to one step-increase of the grade in which the position of the officer or employee is placed.

[(5) Not more than three successive longevity step-increases may be granted to any officer or employee.

[(6) The officer or employee shall have had, in the aggregate, not less than ten years of service in the position which he then occupies, or in positions of equivalent or higher class or grade.

[(c) When an officer or employee, receiving basic compensation at a rate in excess of the maximum scheduled rate for his grade under section 604, section 1105(b), or any other provision of law, is eligible for his first longevity step-increase beyond the maximum rate of such grade he shall—

[(1) receive total basic compensation which is equal to the basic compensation at the maximum scheduled rate for his grade plus such first longevity step-increase, or

[(2) continue to receive compensation at such rate in excess of the maximum scheduled rate for his grade, if the compensation at such rate is higher than the total basic compensation specified in paragraph (1).

In case any such officer or employee receiving compensation under paragraph (2) is eligible for a subsequent successive longevity step-increase, he shall—

[(A) receive the same total basic compensation which he would be entitled to receive after such subsequent longevity step-increase, if his total basic compensation had, at the time he was eligible for his first longevity step-increase, been determined under paragraph (1), or

[(B) continue to receive compensation under paragraph (2) if such compensation is higher than the total basic compensation specified in paragraph (A).

[SEC. 704. In the case of officer and employees in grades 11 to 15, inclusive, of the General Schedule who are receiving compensation

at or above the maximum scheduled rates for their respective grades on the date immediately preceding the effective date of this amendatory section, not to exceed three years of service performed immediately preceeding such effective date shall be counted toward longevity step-increases under section 703. Notwithstanding subsection (b)(4) of section 703, longevity step-increases for grade 15 of the General Schedule shall be the same as those for grade 14 of the General Schedule.]

SEC. 702. (a) Within the limit of available appropriations and in accordance with regulations prescribed by the Commission, the head of each department is authorized to grant additional step-increases in recognition of high quality performance above that ordinarily found in the type of position concerned. Step-increases under this section shall be in addition to those under section 701 and shall not be construed to be an equivalent increase in compensation within the meaning of subsection (a) of section 701.

(b) No officer or employee shall be eligible under this section for more than one such additional step-increase within any period of fifty-two weeks.

SEC. [705.] *703.* This title shall not apply to the compensation of persons appointed by the President, by and with the advice and consent of the Senate.

TITLE VIII—GENERAL COMPENSATION RULES

SEC. 801. All new appointments shall be made at the minimum rate of the appropriate grade.

SEC. 802. (a) The rate of basic compensation to be received by any officer or employee to whom this Act applies shall be governed by regulations issued by the Commission in conformity with this Act when—

(1) he is transferred from a position in the legislative, judicial, or executive branch to which this Act does not apply;

(2) he is transferred from any position in the legislative, judicial, or executive branch to which this Act applies to another such position;

(3) he is demoted to a position in a lower grade;

(4) he is reinstated, reappointed, or reemployed in any position subject to this Act following service in any position in the legislative, judicial, or executive branch;

(5) his type of appointment is changed;

(6) his employment status is otherwise changed; or

(7) his position is changed from one grade to another grade.

(b) Any officer or employee who is promoted or transferred to a position in a higher grade shall receive basic compensation at the lowest rate of such higher grade which exceeds his existing rate of basic compensation by not less than [one step-increase] *two step-increases* of the grade from which he is promoted or transferred. If, in the case of any officer or employee so promoted or transferred who is receiving [(1) one or more longevity step-increases under section 703, or (2)] basic compensation at a rate in excess of the maximum [scheduled] rate for his grade under [section 604, section 1105(b), or] any [other] provision of law, there is no rate in such higher grade which is at least [one step-increase] *two step-increases* above his existing rate of basic compensation, he shall receive [(A)]

(*1*) the maximum [scheduled] rate of such higher grade, or [(B)] (*2*) his existing rate of basic compensation, if such existing rate is the higher. *In case any such officer or employee so promoted or transferred is receiving basic compensation at a rate saved to him under section 507 of this Act upon reduction in grade, such officer or employee shall receive (A) basic compensation at a rate two steps above the rate which he would be receiving if such section 507 were not applicable in his case, or (B) his existing rate of basic compensation, if such existing rate is the higher.*

(c) Any employee in the legislative branch whose compensation is disbursed by the Secretary of the Senate or the Clerk of the House of Representatives, and who has completed two or more years of service as such an employee, and any Member of the Senate or House of Representatives who has completed two or more years of service as such a Member, may upon appointment to a position subject to the Classification Act of 1949 have his initial rate of compensation fixed at the minimum rate of the appropriate grade, or at any step of such grade that does not exceed the highest previous rate of compensation received by him during such service in the legislative branch.

(*d*) *The Commission may issue regulations governing the retention of the rate of basic compensation of an employee who together with his position is brought under this Act. If any such employee so entitled to receive a retained rate under regulations issued pursuant to this subsection is later demoted to a position under this Act, his rate of basic compensation shall be determined in accordance with section 507 of this Act, except that service in the position which was brought under the Act shall, for purposes of section 507, be considered as service under this Act.*

[Sec. 803. (a) Whenever the Commission shall find (1) that a sufficient number of qualified eligibles for positions in a given class cannot be secured in one or more areas or locations at the existing minimum rate for such class, and (2) that there is a possibility that a sufficient number of such eligibles can be secured by increasing the minimum rate for such class in such areas or locations to one of the higher rates within the grade in which such class is placed, the Commission may establish such higher rate as the minimum rate for that class in each area or location concerned.

[(b) Minimum rates established under subsection (a) may be revised from time to time by the Commission. Such actions or revisions shall have the force and effect of law.

[(c) Any increase in rate of basic compensation resulting from the establishment of minimum rates under this section shall not be regarded as an "equivalent increase" in compensation within the meaning of section 701(a).]

Sec. 803. Each employee in a position under this Act, who regularly has responsibility for supervision (including supervision over the technical aspects of the work concerned) over employees whose compensation is fixed and adjusted from time to time by wage boards or similar administrative authorities as nearly as is consistent with the public interest in accordance with prevailing rates, may, in accordance with regulations issued by the Commission, be paid at one of the scheduled rates for his grade which is above the highest rate of basic compensation being paid to any such prevailing-rate employee regularly supervised, or at the maximum rate for his grade, as provided for in such regulations.

TITLE XI—GENERAL PROVISIONS

SEC. 1101. * * *

[SEC. 1102. The Commission shall prepare and submit to the President an annual report with respect to the rates of compensation under, and the administration of, this Act. The President shall submit an annual report to Congress which shall contain, among other matters, such recommendations, based upon the report of the Commission, as he may deem advisable.]

* * * * * * *

DEPARTMENT OF COMMERCE AND RELATED AGENCIES APPROPRIATION ACT, 1956 (69 STAT. 234; PUBLIC LAW 121, EIGHTY-FOURTH CONGRESS; 5 U.S.C. 592d)

* * * * * * *

[SEC. 104. Hereafter the position of Budget Officer of the Department shall be in GS–17 of the General Schedule established by the Classification Act of 1949 so long as the position is held by the present incumbent.]

THE PUBLIC WORKS APPROPRIATION ACT, 1956 (69 STAT. 360; PUBLIC LAW 163, EIGHTY-FOURTH CONGRESS; 5 U.S.C. 483–2)

* * * * * * *

[SEC. 206. The Secretary hereafter is authorized without regard to section 505 of the Classification Act of 1949, as amended, to place the position of Director, Division of Budget and Finance, in grade GS–17 established by the Classification Act of 1949, as amended, so long as the position is held by the present incumbent.]

THE SECOND PARAGRAPH UNDER THE HEADING "ADMINISTRATIVE PROVISIONS" IN TITLE III OF THE PUBLIC WORKS APPROPRIATION ACT, 1956 (69 STAT. 364; PUBLIC LAW 163, EIGHTY-FOURTH CONGRESS; 10 U.S.C. 1335, NOTE)

ADMINISTRATIVE PROVISIONS

* * * * * * *

[The Chief of Engineers hereafter is authorized without regard to section 505 of the Classification Act of 1949, as amended, to place the position of Chief of the Programs Branch, Office of the Assistant Chief of Engineers for Civil Works, in the grade GS–17 established by the Classification Act of 1949, as amended, so long as the position is held by the present incumbent.]

SECTION 24(d) OF THE AREA REDEVELOPMENT ACT (75 STAT. 62; PUBLIC LAW 87–27)

SEC. 24. (a) * * *

* * * * * * *

[(d) Subject to the standards and procedures prescribed by section 505 of the Classification Act of 1949, as amended, the head of any agency, for the performance of functions under this Act, including functions delegated pursuant to subsection (a), may place positions in grades 16, 17, and 18 of the General Schedule established by such Act, and such positions shall be in addition to the number of such positions authorized by section 505 of the Classification Act of 1949, as amended, to be placed in such grades: *Provided,* That not to exceed a total of five such positions may be placed in such grades under this subsection, to be apportioned among the agencies by the Secretary, with the approval of the Director of the Bureau of the Budget.]

SECTION 3(a) OF THE FISH AND WILDLIFE ACT OF 1956 (70 STAT. 1120; PUBLIC LAW 1024, EIGHTY-FOURTH CONGRESS; 16 U.S.C. 742b(a))

SEC. 3. (a) There is hereby established within the Department of the Interior the position of Assistant Secretary for Fish and Wildlife, and the position of Commissioner of Fish and Wildlife. Such Assistant Secretary shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the same rate as other Assistant Secretaries. The Commissioner shall be appointed by the President by and with the advice and consent of the Senate. [He shall receive compensation at the same rate as that provided for Grade GS–18.] There is also established a United States Fish and Wildlife Service within the Department, consisting of two separate agencies, each of which shall have the status of a Federal bureau. There shall be a Director of each of said Bureaus appointed by the Secretary. One of the agencies shall be known as the "Bureau of Commercial Fisheries" and the other agency shall be known as the "Bureau of Sport Fisheries and Wildlife". The United States Fish and Wildlife Service, except as prescribed by this Act, shall succeed to and replace the presently existing Fish and Wildlife Service of the Department.

SECTION 207 OF THE ACT OF MAY 28, 1956 (70 STAT. 200; PUBLIC LAW 540, EIGHTY-FOURTH CONGRESS; 7 U.S.C. 1857)

SURPLUS DISPOSAL ADMINISTRATOR

SEC. 207. The Secretary of Agriculture is authorized to appoint an agricultural surplus disposal administrator[, at a salary rate of not

exceeding $15,000 per annum,] whose duties shall include such responsibility for activities of the Department, including those of the Commodity Credit Corporation, relating to the disposal of surplus agricultural commodities as the Secretary may direct.

TITLE 38 OF THE UNITED STATES CODE

CHAPTER 73—DEPARTMENT OF MEDICINE AND SURGERY

Sec.
4101. Functions of Department.
4102. Divisions of Department.
4103. Appointments and compensation.
4104. Additional appointments.
4105. Qualifications of appointees.
4106. Period of appointment; promotions.
4107. Grades and pay scales.
4108. [Specialist ratings.] *Administration.*
4109. Retirement rights.
4110. Disciplinary boards.
4111. Appointment of additional employees.
4112. Medical advisory group.
4113. Travel expenses of employees.
4114. Temporary and part-time appointments; residencies and internships.
4115. Regulations.

* * * * * * *

§ 4103. Appointments and compensation

(a) The Office of the Chief Medical Director shall consist of the Chief Medical Director, one Deputy Chief Medical Director, not to exceed [eight] *five* Assistant Chief Medical Directors, *such Medical Directors as may be designated to suit the needs of the Department,* and such other personnel and employees as may be authorized by this chapter.

(b) The Chief Medical Director shall be the Chief of the Department of Medicine and Surgery and shall be directly responsible to the Administrator for the operations of the Department. He shall be a qualified doctor of medicine, appointed by the Administrator. During the period of his service as such, the Chief Medical Director shall be paid a salary of $21,050 a year.

(c) The Deputy Chief Medical Director shall be the principal assistant of the Chief Medical Director. He shall be a qualified doctor of medicine, appointed by the Administrator. During the period of his service as such, the Deputy Chief Medical Director shall be paid a salary of $19,870 a year.

[(d) Each Assistant Chief Medical Director shall be appointed by the Administrator upon the recommendation of the Chief Medical Director and shall be paid a salary of $18,685 a year. One assistant Chief Medical Director shall be a qualified doctor of dental surgery or dental medicine who shall be directly responsible to the Chief Medical Director for the operations of the Dental Service. Not to exceed twenty-five directors of service of chiefs of division, designated by the Chief Medical Director, shall, within the limitations otherwise prescribed in this chapter, be paid a salary of $15,640 minimum to $17,740 maximum.

[(e) The Director and Deputy Director of Nursing Service shall be qualified registered nurses, appointed by the Administrator and shall be responsible to the Chief Medical Director for the operation of the Nursing Service. During the period of her service as such, the Director of Nursing Service shall be paid a salary of $13,730 minimum to $15,030 maximum a year and the Deputy Director shall be paid a salary of $12,210 minimum to $13,510 maximum a year.

[(f) The Administrator may appoint a chief pharmacist, a chief dietitian, a chief physical therapist, and a chief occupational therapist. During the period of his service as such, the chief pharmacist and the chief dietitian shall be paid a salary of $13,730 minimum to $15,030 maximum a year and the chief physical therapist and the chief occupational therapist shall be paid a salary of $12,210 minimum to $13,510 maximum a year.

[(g) Except as provided in subsection (i), any appointment under this section shall be for a period of four years subject to removal by the Administrator for cause.

[(h) Reappointments may be made for successive like periods.

[(i) The Administrator may designate a member of the Chaplain Service of the Veterans Administration as Director, Chaplain Service, for a period of two years, subject to removal by the Administrator for cause. During the period that any such member serves as Director, Chaplain Service, he shall be paid a salary, as determined by the Administrator, within the minimum and maximum salary limitations prescribed for Grade GS–15 positions by the Classification Act of 1949, as amended. Redesignations under this subsection may be made for successive like periods. An individual designated as Director, Chaplain Service, shall at the end of his period of service as Director revert to the position, grade, and status which he held immediately prior to being designated Director, Chaplain Service, and all service as Director, Chaplain Service, shall be creditable as service in the former position.]

(d) Each Assistant Chief Medical Director shall be appointed by the Administrator upon the recommendation of the Chief Medical Director and shall be paid a salary of $20,000 a year.

One Assistant Chief Medical Director shall be a qualified doctor of dental surgery or dental medicine who shall be directly responsible to the Chief Medical Director for the operations of the Dental Service.

(e) Medical Directors, during their period of service as such, shall be paid a salary of $18,500 minimum to $19,500 maximum a year.

(f) The Director of Nursing Service shall be a qualified registered nurse, appointed by the Administrator, and shall be responsible to the Chief Medical Director for the operation of the Nursing Service. During the period of service as such, the Director of Nursing Service shall be paid, effective on the first day of the first pay period beginning on or after—

the date of enactment of the Federal Salary Reform Act of 1962, a salary of $14,565 minimum to $17,925 maximum a year;

January 1, 1964, a salary of $15,665 minimum to $19,270 maximum a year.

(g) The Administrator may appoint a chief pharmacist and a chief dietitian. During the period of his service as such, the chief pharmacist

and the chief dietitian shall be paid, effective on the first day of the first pay period beginning on or after—

the date of enactment of the Federal Salary Reform Act of 1962, a salary of $14,565 minimum to $17,925 maximum a year;

January 1, 1964, a salary of $15,665 minimum to $19,270 maximum a year.

(h) Except as provided in subsection (j), any appointment under this section shall be for a period of four years but persons so appointed shall be subject to removal by the Administrator for cause.

(i) Reappointments may be made for successive like periods.

(j) The Administrator may designate a member of the Chaplain Service of the Veterans' Administration as Director, Chaplain Service, for a period of two years, subject to removal by the Administrator for cause. During the period that any such member serves as Director, Chaplain Service, he shall be paid a salary, as determined by the Administrator, within the minimum and maximum salary limitations prescribed for grade GS–15 positions by the Classification Act of 1949, as amended. Redesignations under this subsection may be made for successive like periods. An individual designated as Director, Chaplain Service, shall at the end of his period of service as Director revert to the position, grade, and status which he held immediately prior to being designated Director, Chaplain Service, and all service as Director, Chaplain Service, shall be creditable as service in the former position.

* * * * * * *

[§ 4107. Grades and pay scales

[(a) The grades and per annum full-pay ranges for positions provided in paragraph (1) of section 4104 of this title shall be as follows:

[MEDICAL SERVICE

[Chief grade, $13,730 minimum to $15,030 maximum.
[Senior grade, $12,210 minimum to $13,510 maximum.
[Intermediate grade, $10,635 minimum to $11,935 maximum.
[Full grade, $8,955 minimum to $10,255 maximum.
[Associate grade, $7,560 minimum to $8,860 maximum.
[Junior grade, $6,995 minimum to $7,985 maximum.

[DENTAL SERVICE

[Chief grade, $13,730 minimum to $15,030 maximum.
[Senior grade, $12,210 minimum to $13,510 maximum.
[Intermediate grade, $10,635 minimum to $11,935 maximum.
[Full grade, $8,955 minimum to $10,255 maximum.
[Associate grade, $7,560 minimum to $8,860 maximum.
[Junior grade, $6,995 minimum to $7,985 maximum.

[NURSING SERVICE

[Assistant Director, $8,955 minimum to $10,255 maximum.
[Senior grade, $7,560 minimum to $8,860 maximum.
[Full grade, $6,435 minimum to $7,425 maximum.
[Associate grade, $5,600 minimum to $6,630 maximum.
[Junior grade, $4,760 minimum to $5,790 maximum.

[ADMINISTRATION

[(b) Notwithstanding any law, Executive order, or regulation, the Administrator shall prescribe by regulation the hours and conditions of employment and leaves of absence of physicians, dentists, and nurses.]

§ *4107. Grades and pay scales*

(a)(1) Effective on the first day of the first pay period beginning on or after the date of enactment of the Federal Salary Reform Act of 1962, the grades and per annum full-pay ranges for positions provided in paragraph (1) of section 4104 of this title shall be as follows:

PHYSICIAN AND DENTIST SCHEDULE

Director grade, $16,000 minimum to $19,000 maximum.
Executive grade, $15,250 minimum to $18,750 maximum.
Chief grade, $14,565 minimum to $18,405 maximum.
Senior grade, $12,845 minimum to $16,245 maximum.
Intermediate grade, $11,150 minimum to $14,070 maximum.
Full grade, $9,475 minimum to $11,995 maximum.
Associate grade, $8,045 minimum to $10,165 maximum.

NURSE SCHEDULE

Assistant Director grade, $12,845 minimum to $16,245 maximum.
Chief grade, $11,150 minimum to $14,070 maximum.
Senior grade, $9,475 minimum to $11,995 maximum.
Intermediate grade, $8,045 minimum to $10,165 maximum.
Full grade, $6,675 minimum to $8,700 maximum.
Associate grade, $5,820 minimum to $7,575 maximum.
Junior grade, $5,035 minimum to $6,565 maximum.

(2) Effective on the first day of the first pay period beginning on or after January 1, 1964, the per annum full pay ranges for positions provided in paragraph (1) of section 4104 of this title shall be as follows:

PHYSICIAN AND DENTIST SCHEDULE

Chief grade, $15,665 minimum to $19,785 maximum.
Senior grade, $13,615 minimum to $17,215 maximum.
Intermediate grade, $11,725 minimum to $14,805 maximum.
Full grade, $9,980 minimum to $12,620 maximum.
Associate grade, $8,410 minimum to $10,650 maximum.

NURSE SCHEDULE

Assistant director grade, $13,615 minimum to $17,215 maximum.
Chief grade, $11,725 minimum to $14,805 maximum.
Senior grade, $9,980 minimum to $12,620 maximum.
Intermediate grade, $8,410 minimum to $10,650 maximum.
Full grade, $7,030 minimum to $9,100 maximum.
Associate grade, $6,090 minimum to $7,890 maximum.
Junior grade, $5,235 minimum to $6,810 maximum.

(b) No person may hold the director grade unless he is serving as a director of a hospital, domiciliary, center, or outpatient clinic (independent). No person may hold the executive grade unless he holds the

position of chief of staff at a hospital, center, or outpatient clinic (independent), or the position of clinic director at an outpatient clinic, or comparable position.

[§ 4108. Specialist ratings

[(a) Within the restrictions herein imposed, the Chief Medical Director may rate any physician appointed under paragraph (1) of section 4104, or on a temporary full-time or part-time basis under section 4114(a), of this title as a medical or surgical specialist, and, upon the recommendation of the Assistant Chief Medical Director for Dentistry, may rate any doctor of dental surgery or dental medicine, appointed under paragraph (1) of section 4104, or on a temporary full-time or part-time basis under section 4114(a), of this title as a dental specialist; however, no person shall at any time hold more than one such rating.

[(b) No person may be rated as a medical, surgical, or dental specialist unless he is certified as a specialist by an American specialty Board recognized by the Administrator where such boards exist; or if no such boards exist, he has been examined and found qualified by a board appointed by the Chief Medical Director from specialists of the Department of Medicine and Surgery holding ratings in the specialty to which the candidate aspires. Whenever there are insufficient specialists, rated in the proper specialty, who are readily available to constitute such a board, the Chief Medical Director may substitute consultants with comparable qualifications employed under section 4114 of this title.

[(c) Any person, rated as a medical, surgical, or dental specialist under the provisions of this section shall retain such rating until it shall be withdrawn by the Chief Medical Director. The Chief Medical Director shall not withdraw any such rating until it shall have been determined by a board of specialists that the person holding such rating is no longer qualified in his speciality.

[(d) Any person, rated as a medical, surgical, or dental specialist under the provisions of this section, shall receive, in addition to his basic pay, an allowance equal to 15 per centum of such pay, but in no event shall the pay plus the allowance authorized by this subsection exceed $17,200 per annum.]

§ 4108. Administration

Notwithstanding any law, Executive order, or regulation, the Administrator shall prescribe by regulation the hours and conditions of employment and leaves of absence of physicians, dentists, and nurses.

* * * * * * *

§ 4111. Appointment of additional employees

(a) There shall be appointed by the Administrator under civil-service laws, rules, and regulations, such additional employees, other than those provided in section 4103, paragraph (1) of section 4104, and those specified in section 4114 of this title, as may be necessary to carry out the provisions of this chapter.

[(b) Notwithstanding any other provision of law, the per annum rate of salary of each individual serving as a manager of a hospital, domiciliary, or center who is not a physician in the medical service shall not be less than the rate of salary which he would receive under section 4107 of this title if his service as a manager of a hospital,

domiciliary, or center had been service as a physician in the medical service in the chief grade. This subsection shall not affect the allocation of any position of manager of a hospital, domiciliary, or center to any grade of the General Schedule of the Classification Act of 1949, except with respect to changes in rate of salary pursuant to the preceding sentence, and shall not affect the applicability of the Performance Rating Act of 1950 to any individual.]

(b) Notwithstanding any other provision of law, the per annum salary rate of each individual serving as a director of a hospital, domiciliary, or center who is not a physician in the medical service shall not be less than the rate of salary which he would receive under section 4107 of this title if his service as a director of a hospital, domiciliary, or center had been service as a physician in the director grade. This subsection shall not affect the allocation of any position of director of a hospital, domiciliary, or center to any grade of the General Schedule of the Classification Act of 1949, except with respect to changes in rate of salary pursuant to the preceding sentence, and shall not affect the applicability of the Performance Rating Act of 1950 to any individual.

FOREIGN SERVICE ACT OF 1946

* * * * * * *

TITLE IV—CATEGORIES AND SALARIES OF PERSONNEL

* * * * * * *

PART B—SALARIES

* * * * * * *

FOREIGN SERVICE OFFICERS

SEC. 412. There shall be ten classes of Foreign Service officers, including the classes of career ambassador and of career minister. The per annum salary of a career ambassador shall be $20,000. The per annum salary of a career minister shall be $19,000. [The per annum salaries of Foreign Service officers within each of the other classes shall be as follows:

Class 1	$17,250	$17,650	$18,050	$18,450	$18,850	$19,250	$19,650	-------
Class 2	14,900	15,255	15,610	15,965	16,320	16,675	17,030	-------
Class 3	12,535	12,890	13,245	13,600	13,955	14,310	14,665	-------
Class 4	10,645	10,945	11,245	11,545	11,845	12,145	12,445	-------
Class 5	8,755	9,055	9,355	9,655	9,955	10,255	10,555	-------
Class 6	7,215	7,455	7,695	7,935	8,175	8,415	8,655	-------
Class 7	6,035	6,215	6,395	6,575	6,755	6,935	7,115	-------
Class 8	5,085	5,265	5,445	5,625	5,805	5,985	6,165	$6,345

On the first day of the first pay period which begins on or after the date of enactment of the Foreign Service Salary Reform Act of 1962, the per annum salaries of Foreign Service officers within each of the other classes shall be as follows:

Class 1	*$18,975*	*$19,650*	-------	-------	-------	-------	-------	-------
Class 2	*15,900*	*16,400*	*$16,900*	*$17,400*	*$17,900*	*$18,400*	*$18,900*	-------
Class 3	*13,440*	*13,885*	*14,330*	*14,775*	*15,220*	*15,665*	*16,110*	-------
Class 4	*11,150*	*11,515*	*11,880*	*12,245*	*12,610*	*12,975*	*13,340*	-------
Class 5	*9,315*	*9,620*	*9,925*	*10,230*	*10,535*	*10,840*	*11,145*	-------
Class 6	*7,705*	*7,960*	*8,215*	*8,470*	*8,725*	*8,980*	*9,235*	-------
Class 7	*6,475*	*6,690*	*6,905*	*7,120*	*7,335*	*7,550*	*7,765*	-------
Class 8	*5,540*	*5,725*	*5,910*	*6,095*	*6,280*	*6,465*	*6,650*	-------

On the first day of the first pay period which begins on or after January 1, 1964, the per annum salaries of Foreign Service officers within each of the other classes shall be as follows:

Class 1	*$18,975*	*$19,000*					
Class 2	*15,900*	*16,400*	*$11,900*	*$17,400*	*$17,900*	*$18,400*	*$18,900*
Class 3	*14,265*	*14,735*	*15,205*	*15,675*	*16,145*	*16,615*	*17,085*
Class 4	*11,725*	*12,110*	*12,495*	*12,880*	*13,265*	*13,650*	*14,035*
Class 5	*9,695*	*10,015*	*10,335*	*10,655*	*10,975*	*11,295*	*11,615*
Class 6	*8,090*	*8,355*	*8,620*	*8,885*	*9,150*	*9,415*	*9,680*
Class 7	*6,810*	*7,035*	*7,260*	*7,485*	*7,710*	*7,935*	*8,160*
Class 8	*5,795*	*5,990*	*6,185*	*6,380*	*6,575*	*6,770*	*6,965*

* * * * * * *

FOREIGN SERVICE STAFF OFFICERS AND EMPLOYEES

[SEC. 415. There shall be twenty-two classes of Foreign Service staff officers and employees, referred to here after as staff officers and employees. The per annum rates of staff officers and employees within each class shall be as follows:

Class 1	$12,655	$13,030	$13,405	$13,780	$14,155	-------	------
Class 2	11,740	12,065	12,390	12,715	13,040	-------	------
Class 3	10,785	11,095	11,405	11,715	12,025	-------	------
Class 4	9,780	10,090	10,400	10,710	11,020	-------	------
Class 5	9,025	9,285	9,545	9,805	10,065	$10,325	------
Class 6	8,270	8,500	8,730	8,960	9,190	9,420	------
Class 7	7,515	7,745	7,975	8,205	8,435	8,665	------
Class 8	6,760	6,990	7,220	7,450	7,680	7,910	------
Class 9	6,005	6,235	6,465	6,695	6,925	7,155	------
Class 10	5,500	5,690	5,880	6,070	6,260	6,450	$6,640
Class 11	5,000	5,155	5,310	5,465	5,620	5,775	5,930
Class 12	4,495	4,650	4,805	4,960	5,115	5,270	5,425
Class 13	4,010	4,165	4,320	4,475	4,630	4,785	4,940
Class 14	3,550	3,705	3,860	4,015	4,170	4,325	4,480
Class 15	3,325	3,440	3,555	3,670	3,785	3,900	4,015
Class 16	3,095	3,175	3,255	3,335	3,415	3,495	3,575
Class 17	2,860	2,940	3,020	3,100	3,180	3,260	3,340
Class 18	2,640	2,720	2,800	2,880	2,960	3,040	3,120
Class 19	2,410	2,490	2,570	2,650	2,730	2,810	2,890
Class 20	2,180	2,260	2,340	2,420	2,500	2,580	2,660
Class 21	1,950	2,030	2,110	2,190	2,270	2,350	2,430
Class 22	1,720	1,800	1,880	1,960	2,040	2,120	2,200

SEC. 415. (a) Effective on the first day of the first pay period which begins on or after the date of enactment of the Foreign Service Salary Reform Act of 1962, there shall be ten classes of Foreign Service staff officers and employees, referred to hereafter as staff officers and employees, and the per annum salaries of staff officers and employees within each class shall be as follows:

Class 1	*$13,440*	*$13,885*	*$14,330*	*$14,775*	*$15,220*	*$15,665*	*$16,110*	*$16,555*	*$17,000*	-------
Class 2	*11,150*	*11,515*	*11,880*	*12,245*	*12,610*	*12,795*	*13,340*	*13,705*	*14,070*	-------
Class 3	*9,315*	*9,620*	*9,925*	*10,230*	*10,535*	*10,840*	*11,145*	*11,450*	*11,755*	-------
Class 4	*7,705*	*7,960*	*8,215*	*8,470*	*8,725*	*8,980*	*9,235*	*9,490*	*9,745*	-------
Class 5	*6,910*	*7,140*	*7,370*	*7,600*	*7,830*	*8,060*	*8,290*	*8,520*	*8,750*	*$8,980*
Class 6	*6,225*	*6,435*	*6,645*	*6,855*	*7,065*	*7,275*	*7,485*	*7,695*	*7,905*	*8,115*
Class 7	*5,610*	*5,800*	*5,990*	*6,180*	*6,370*	*6,560*	*6,750*	*6,940*	*7,130*	*7,320*
Class 8	*5,060*	*5,230*	*5,400*	*5,570*	*5,790*	*5,910*	*6,080*	*6,250*	*6,420*	*6,590*
Class 9	*4,575*	*4,725*	*4,875*	*5,025*	*5,175*	*5,325*	*5,475*	*5,625*	*5,775*	*5,930*
Class 10	*4,110*	*4,250*	*4,390*	*4,530*	*4,670*	*4,825*	*4,980*	*5,135*	*5,290*	*5,445*

On the first day of the first pay period which begins on or after January 1, 1964, the per annum salaries of staff officers and employees within each class shall be as follows:

Class 1	$14,265	$14,735	$15,205	$15,675	$16,145	$16,615	$17,085	$17,555	$18,025	----
Class 2	11,725	12,110	12,495	12,880	13,265	13,650	14,035	14,420	14,805	----
Class 3	9,695	10,015	10,335	10,655	10,975	11,295	11,615	11,935	12,255	----
Class 4	8,090	8,355	8,620	8,885	9,150	9,415	9,680	9,945	10,210	----
Class 5	7,295	7,535	7,775	8,015	8,255	8,495	8,735	8,975	9,215	$9,455
Class 6	6,570	6,785	7,000	7,215	7,430	7,645	7,860	8,075	8,290	8,505
Class 7	5,890	6,085	6,280	6,475	6,670	6,865	7,060	7,255	7,450	7,645
Class 8	5,270	5,445	5,620	5,795	5,970	6,145	6,320	6,495	6,670	6,845
Class 9	4,715	4,870	5,025	5,180	5,335	5,490	5,645	5,800	5,955	6,110
Class 10	4,215	4,355	4,495	4,635	4,775	4,915	5,060	5,215	5,370	5,525

(b) Notwithstanding the provisions of subsection (a) of this section, the Secretary may, under such regulations as he may prescribe, classify positions at levels below class 10, and establish salary rates therefor at lower rates than those prescribed by this section, for American employees recruited abroad who are not available or are not qualified for transfer to another post and who perform duties of a more routine nature than are generally performed at the class 10 level.

* * * * * * *

TITLE VI—PERSONNEL ADMINISTRATION

* * * * * * *

PART E—PROMOTION OF FOREIGN SERVICE STAFF OFFICERS AND EMPLOYEES

* * * * * * *

WITHIN CLASS [AND LONGEVITY] SALARY INCREASES

SEC. 642. [(a)] Under such regulations as the Secretary may prescribe, any staff officer or employee whose services meet the standards required for the efficient conduct of the work of the Service shall receive an increase in salary at periodic intervals to the next higher salary rate for the class in which he is serving. Without regard to any other law the Secretary is authorized to grant any such officer or employee additional increases in salary within the salary range established for the class in which he is serving based upon specifically meritorious service.

[(b) Under such regulations as the Secretary may prescribed, any staff officer or employee who has attained the maximum salary rate prescribed by section 415 for the class in which he is serving may be granted from time to time an additional salary increase beyond the maximum salary rate for his class in recognition of longevity of proficiency in the Service. Each such salary increase shall be equal to the maximum salary rate increase of the applicable class and no person shall receive more than four such salary increases while serving in the same class.]

SECTIONS 101 THROUGH 105 OF THE ACT OF JULY 1, 1960

[SHORT TITLE

[SEC. 101. This part may be cited as the "Postal Employees Salary Increase Act of 1960".

[POSTAL FIELD SERVICE SCHEDULE

[SEC. 102. The Postal Field Service Schedule contained in section 301(a) of the Postal Field Service Compensation Act of 1955, as amended (72 Stat. 145, 215; 39 U.S.C. 971(a)), is amended to read as follows:

POSTAL FIELD SERVICE SCHEDULE

Level	Per annum rates and steps						
	1	2	3	4	5	6	7
1	$3,415	$3,545	$3,675	$3,805	$3,935	$4,065	$4,195
2	3,670	3,805	3,940	4,075	4,210	4,345	4,480
3	3,955	4,100	4,245	4,390	4,535	4,680	4,825
4	4,345	4,505	4,665	4,825	4,985	5,145	5,305
5	4,605	4,765	4,925	5,085	5,245	5,405	5,565
6	4,975	5,150	5,325	5,500	5,675	5,850	6,025
7	5,370	5,555	5,740	5,925	6,110	6,295	6,480
8	5,790	5,995	6,200	6,405	6,610	6,815	7,020
9	6,255	6,480	6,705	6,930	7,155	7,380	7,605
10	6,870	7,110	7,350	7,590	7,830	8,070	8,310
11	7,560	7,820	8,080	8,340	8,600	8,860	9,120
12	8,320	8,605	8,890	9,175	9,460	9,745	10,030
13	9,160	9,470	9,780	10,090	10,400	10,710	11,020
14	10,075	10,410	10,745	11,080	11,415	11,750	12,085
15	11,075	11,440	11,805	12,170	12,535	12,900	13,265
16	12,205	12,570	12,935	13,300	13,665	14,030	14,395
17	13,505	13,870	14,235	14,600	14,965	15,330	15,695
18	15,165	15,525	15,885	16,245	16,605	16,965	16,965
19	16,585	16,945	17,095	----------	----------	----------	----------
20	17,200	----------	----------	----------	----------	----------	----------

[RURAL CARRIER SCHEDULE

[SEC. 103. (a) The Rural Carrier Schedule contained in section 302(a) of such Act, as amended (72 Stat. 145; 39 U.S.C. 972(a)), is amended to read as follows:

RURAL CARRIER SCHEDULE

Per annum rates and steps

	1	2	3	4	5	6	7
Carriers in rural delivery service:							
Fixed compensation per annum	$2,053	$2,132	$2,211	$2,290	$2,369	$2,448	$2,527
Compensation per mile per annum for each mile up to 30 miles of route	71	73	75	77	79	81	83
For each mile of route over 30 miles	24	24	24	24	24	24	24
Temporary carriers in rural delivery service on routes to which no regular carrier is assigned:							
Fixed compensation per annum	2,053	------	------	------	------	------	------
Compensation per mile per annum for each mile up to 30 miles of route	71	------	------	------	------	------	------
For each mile of route over 30 miles	24	------	------	------	------	------	------
Temporary carriers in rural delivery service on routes having regular carriers absent without pay or on military leave	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Substitute carriers in rural delivery service on routes having carriers absent with pay	(1)	(1)	(1)	(1)	(1)	(1)	(1)

[1] Basic compensation authorized for the regular carrier.

[(b) Section 302(c) of such Act, as amended (69 Stat. 119, 72 Stat. 145; 39 U.S.C. 972(c)), is amended by striking out "$5,165 during the period referred to in section 304(c) or $5,035 thereafter" and inserting in lieu thereof "the basic salary for the maximum step in the Rural Carrier Schedule for a route sixty-one miles in length".

[FOURTH-CLASS OFFICE SCHEDULE

[SEC. 104. The Fourth-Class Office Schedule contained in section 303(a) of such Act, as amended (72 Stat. 146; 39 U.S.C. 973(a)), is amended to read as follows:

FOURTH-CLASS OFFICE SCHEDULE

Gross receipts	Per annum rates and steps						
	1	2	3	4	5	6	7
$1,300 to $1,499.99	$2,979	$3,078	$3,177	$3,276	$3,375	$3,474	$3,573
$900 to $1,299.99	2,730	2,820	2,910	3,000	3,090	3,180	3,270
$600 to $899.99	2,234	2,309	2,384	2,459	2,534	2,609	2,684
$350 to $599.99	1,737	1,794	1,851	1,908	1,965	2,022	2,079
$250 to $349.99	1,242	1,282	1,322	1,362	1,402	1,442	1,482
$200 to $249.99	993	1,025	1,057	1,089	1,121	1,153	1,185
$100 to $199.99	745	769	793	817	841	865	889
Under $100	495	511	527	543	559	575	591

[RELATED PROVISIONS COVERING POSTAL FIELD SERVICE EMPLOYEES

[SEC. 105. (a) Section 304(c) of such Act, as amended (72 Stat. 146; 39 U.S.C. 974(c)), is hereby repealed.

[(b) Section 401 of such Act, as amended (39 U.S.C. 981), is amended by adding at the end thereof the following subsection:

["(d) Any increase in basic salary granted by law on or after the effective date of this subsection shall not be deemed to be an equivalent increase in basic salary within the meaning of subsection (a) of this section."

[(c) The annual rate of basic salary of any officer or employee whose basic salary, immediately prior to the effective date of this subsection, is at a rate between two scheduled rates, or above the highest scheduled rate, in the Postal Field Service Schedule, the Rural Carrier Schedule, or the Fourth-Class Office Schedule, whichever may be applicable, is here increased by an amount equal to the amount of the increase made by this part in the next lower rate of the appropriate level in such schedule. As used in this subsection, the term "basic salary" has the same meaning as when used in the Postal Field Service Compensation Act of 1955.

[(d) This part shall have the same force and effect within Guam as within other possessions of the United States.]

ACT OF AUGUST 1, 1947

That (a) the Secretary of the Interior is authorized to establish and fix compensation for not more than eight scientific or professional positions in the Department of the Interior, each such position being established to effectuate those research and development functions of such department which require the services of specially qualified personnel.

(b) The Secretary of Agriculture is authorized to establish and fix the compensation for not more than twenty scientific or professional positions in the Department of Agriculture, each such position being established to effectuate those research and development functions of such department which require the services of specially qualified personnel.

(c) The Secretary of Health, Education, and Welfare is authorized to establish and fix the compensation for not more than thirteen scientific or professional positions in the Department of Health, Education, and Welfare, each such position being established to effectuate those research and development functions of such department which require the services of specially qualified personnel.

(d) The Secretary of Commerce is authorized to establish and fix the compensation for not more than thirty scientific or professional positions in the Department of Commerce, of which not less than five shall be for the United States Patent Office in its examining and related activities, each such position being established to effectuate those research and development functions of such department which require the services of specially qualified personnel.

(e) The Postmaster General is authorized to establish and fix the compensation for not more than three scientific or professional positions in the Post Office Department, each such position being estab-

lished to effectuate those research and development functions of such Department which require the services of specially qualified personnel.

(f) The Director of the United States Arms Control and Disarmament Agency is authorized to establish and fix the compensation for not more than fourteen scientific or professional positions in the United States Arms Control and Disarmament Agency, each such position being established to effectuate those research and development functions of such agency which require the services of specially qualified personnel.

(g) The Librarian of Congress is authorized to establish and fix the compensation for not more than eight scientific or professional positions in the Library of Congress, each such position being established to carry out research and development functions of the Library which require the services of specially qualified personnel. Section 2(a) shall not apply to positions established under this subsection.

SEC. 2. (a) Positions created pursuant to this Act shall be included in the competitive civil service of the United States, but appointments to such positions shall be made without competitive examination upon approval of the proposed appointee's qualifications by the United States Civil Service Commission or such officers and agents as the Commission may designate for this purpose.

[(b) The rates of compensation for positions established pursuant to the provisions of this Act shall not be less than $12,500 per annum nor more than $19,000 per annum and shall be subject to the approval of the United States Civil Service Commission.]

(b) The per annum rates of compensation for positions established pursuant to the provisions of this Act shall not be less than the minimum rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act and shall be subject to the approval of the United States Civil Service Commission.

(c) In any case in which, subsequent to February 1, 1958, provisions are included in a general appropriation Act authorizing an agency of the Government referred to in this Act to establish and fix the compensation of scientific or professional positions similar to those authorized by this Act, the number of such positions authorized by this Act shall, unless otherwise expressly provided, be deemed to have been reduced by the number of positions authorized by the provisions of such appropriation Act.

SEC. 3. The head of each department or agency authorized to establish and fix the compensation of positions under this Act shall submit to the Congress, not later than December 31 of each year, a report setting forth the number of positions established pursuant to this Act in his department or agency during that calendar year, and the name, rate of compensation, and description of the qualifications of each incumbent, together with a statement of the functions performed by each. In any instance in which any such department or agency head may consider full public report on these items detrimental to the national security, such department or agency head is authorized to omit such items from his annual report and, in lieu thereof, to present such information in executive sessions of such committees of the Senate and House of Representatives as the presiding officers of those bodies shall designate.

SECTION 208(g) OF THE PUBLIC HEALTH SERVICE ACT

(g) The Administrator is authorized to establish and fix the compensation for, within the Public Health Service, not more than one hundred and fifty positions, of which not less than one hundred and fifteen shall be for the National Institutes of Health in the professional, scientific, and executive service, each such position being established to effectuate those research and development activities of the Public Health Service which require the services of specially qualified scientific, professional, and administrative personnel: *Provided,* That the rates of compensation for positions established pursuant to the provisions of this subsection shall not be less than [$12,500 per annum nor more than $19,000 per annum] *the minimum rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such* Act, and shall be subject to the approval of the Civil Service Commission. Positions created pursuant to this subsection shall be included in the classified civil service of the United States, but appointments to such positions shall be made without competitive examination upon approval of the proposed appointee's qualifications by the Civil Service Commission or such officers or agents as it may designate for this purpose.

SECTION 12 OF THE ACT OF MAY 29, 1884

SEC. 12. The Secretary of Agriculture is authorized to establish research laboratories, including the acquisition of necessary land, buildings, or facilities, and also the making of research contracts under the authority contained in section 10(a) of the Bankhead-Jones Act of 1935, as amended by the Research and Marketing Act of 1946, for research and study, in the United States or elsewhere, of foot-and-mouth disease and other animal diseases which in the opinion of the Secretary constitute a threat to the livestock industry of the United States: *Provided,* That no live virus of foot-and-mouth disease may be introduced for any purpose into any part of the mainland of the United States except coastal islands separated therefrom by waters navigable for deep-water navigation and which shall not be connected with the mainland by any tunnel, and except that the Secretary of Agriculture may transport said virus in the original package across the mainland under adequate safeguards, and except further, that in the event of outbreak of foot-and-mouth disease in this country, the Secretary of Agriculture may, at his discretion, permit said virus to be brought into the United States under adequate safeguards. To carry out the provisions of this section, the Secretary is authorized to employ technical experts or scientists without regard to the Classification Act: *Provided,* That the number so employed shall not exceed five and that the maximum compensation for each shall not exceed [$19,000 per annum] *the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended.* There is hereby authorized to be appropriated such sums as Congress may deem necessary; in addition, the Secretary is authorized to utilize, in carrying out this section, funds otherwise available for the control or eradication of such diseases.

SECTION 203(b)(2) OF THE NATIONAL AERONAUTICS AND SPACE ACT OF 1958

FUNCTIONS OF THE ADMINISTRATION

SEC. 203. (a) * * *

(b) In the performance of its functions the Administration is authorized—

* * * * * * *

(2) to appoint and fix the compensation of such officers and employees as may be necessary to carry out such functions. Such officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1949, except that (A) to the extent the Administrator deems such action necessary to the discharge of his responsibilities, he may appoint and fix the compensation [(up to a limit of $19,000 a year, or up to a limit of $21,000 a year for a maximum of thirty positions)] *(at not to exceed the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended, or, for a maximum of thirty positions, not to exceed $21,000 a year)* of not more than four hundred and twenty-five (of which not to exceed three hundred and fifty-five may be filled prior to March 1, 1962 and to exceed three hundred and ninety may be filled prior to July 1, 1962) of the scientific, engineering, and administrative personnel of the Administration without regard to such laws, and (B) to the extent the Administrator deems such action necessary to recruit specially qualified scientific and engineering talent, he may establish the entrance grade for scientific and engineering personnel without previous service in the Federal Government at a level up to two grades higher than the grade provided for such personnel under the General schedule established by the Classification Act of 1949, and fix their compensation accordingly;

SECTION 161d OF THE ATOMIC ENERGY ACT OF 1954

SEC. 161. GENERAL PROVISIONS.—In the performance of its functions the Commission is authorized to—

a. * * *

* * * * * * *

d. appoint and fix the compensation of such officers and employees as may be necessary to carry out the functions of the Commission. Such officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1949, as amended, except that, to the extent the Commission deems such action necessary to the discharge of its responsibilities, personnel may be employed and their compensation fixed without regard to such laws: *Provided, however,* That no officer or employee (except such officers and employees whose compensation is fixed by law, and scientific and technical personnel up to a limit of [($19,000)] *the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended*) whose position would

be subject to the Classification Act of 1949, as amended, if such Act were applicable to such position, shall be paid a salary at a rate in excess of the rate payable under such Act for positions of equivalent difficulty or responsibility. The Commission shall make adequate provision for administrative review of any determination to dismiss any employee;

SECTION 1581 OF TITLE 10 OF THE UNITED STATES CODE

§ 1581. Appointment: Professional and scientific services

(a) The Secretary of Defense may establish not more than five hundred thirty civilian positions in the Department of Defense to carry out research and development relating to the national defense, military medicine, and other activities of the Department of Defense that require the services of specially qualified scientists or professional personnel.

(b) Subject to the Civil Service Commission's approval as to rates, the Secretary may fix the compensation for positions established under subsection (a). [However, the compensation may not be less than $12,500 or more than $19,000 a year.] *However, the per annum compensation may not be less than the minimum rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act.*

SECTION 4 OF THE ACT OF MAY 29, 1959

SEC. 4. The Secretary of Defense (or his designee for the purpose) is authorized to establish in the National Security Agency not more than sixty civilian positions involving research and development functions, which require the services of specially qualified scientific or professional personnel, and fix the rates of basic compensation for such positions at rates not in excess of the maximum rate of compensation authorized by section 1581(b) of title 10, United States Code[, as amended by paragraph (34)(B) of the first section of the Act of September 2, 1958 (72 Stat. 1456; Public Law 85–861)].

SECOND PROVISO OF PARAGRAPH UNDER HEADING "FEDERAL PRISON SYSTEM" IN TITLE II OF THE DEPARTMENTS OF STATE AND JUSTICE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION ACT, 1956 (69 STAT. 273; PUBLIC LAW 133, EIGHTY-FOURTH CONGRESS; 5 U.S.C. 298a)

Provided further, That the Attorney General hereafter is authorized without regard to the Classification Act of 1949, to place [three] *one* position[s] in grade GS–16 in the General Schedule established by the Classification Act of 1949.

SECTION 302(f) OF THE FEDERAL AVIATION ACT OF 1958

ORGANIZATION OF AGENCY

SEC. 302. * * *

* * * * * * *

OFFICERS AND EMPLOYEES

(f) The Administrator is authorized, subject to the civil-service and classification laws, to select, employ, appoint, and fix the compensation of such officers, employees, attorneys, and agents as shall be necessary to carry out the provisions of this Act, and to define their authority and duties, except that the Administrator may fix the compensation for not more than twenty-three positions at rates not to exceed [$19,500 per annum] *the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended.*

SECTION 2 OF THE ACT OF JUNE 14, 1948

SEC. 2. The President shall designate from time to time to attend a specified session or specified sessions of the World Health Assembly of the Organization not to exceed three delegates of the United States and such number of alternates as he may determine consistent with the rules of procedure of the World Health Assembly. One of the delegates shall be designated as the chief delegate. Whenever the United States becomes entitled to designate a person to serve on the Executive Board of the Organization, under article 24 of the constitution of the Organization, the President shall designate a representattive of the United States, by and with the advice and consent of the Senate, and may designate not to exceed one alternate to attend sessions of the Executive Board. Such representative must be a graduate of a recognized medical school and have spent not less than three years in active practice as a physician or surgeon. [Such representative shall be entitled to receive compensation at a rate not to exceed $12,000 per annum and any such alternate shall be entitled to receive compensation at a rate not to exceed $10,000 per annum] *Such representative and any such alternate shall each be entitled to receive compensation at one of the rates provided by section 412 of the Foreign Service Act of 1946, as amended,* for such period or periods as the President may specify, except that no Member of the Senate or House of Representatives or officer of the United States who is thus designated shall be entitled to receive such compensation: * * *

MUTUAL EDUCATIONAL AND CULTURAL EXCHANGE ACT OF 1961

SEC. 104. (a) * * *

(b) The President is authorized to employ such other personnel as he deems necessary to carry out the provisions and purposes of this Act, and of such personnel not to exceed ten may be compensated without regard to the provisions of the Classification Act of 1949, as

amended, [and of these not to exceed five may be compensated at a rate in excess of the highest rate provided for grades of the general schedule established by the Classification Act of 1949, as amended, but not in excess of $1,000 per annum more than such highest rate] *but not in excess of the highest rate of grade 18 of such Act.* Such positions shall be in addition to the number authorized by section 505 of the Classification Act of 1949, as amended.

FOREIGN ASSISTANCE ACT OF 1961

SEC. 625. (a) * * *

(b) Of the personnel employed in the United States to carry out part I or coordinate part I and part II, not to exceed one hundred and ten may be appointed, compensated, or removed without regard to the provisions of any law, of whom not to exceed fifty-one may be compensated at rates higher than those provided for grade 15 of the general schedule established by the Classification Act of 1949, as amended (5 U.S.C. 1071 et seq.), [and of these, not to exceed eight may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year] *but not in excess of the highest rate of grade 18 of such general schedule: Provided,* That, under such regulations as the President shall prescribe, officers and employees of the United States Government who are appointed to any of the above positions may be entitled, upon removal from such position, to reinstatement to the position occupied at the time of appointment or to a position of comparable grade and salary. Such positions shall be in addition to those authorized by law to be filled by Presidential appointment, and in addition to the number authorized by section 505 of the Classification Act of 1949, as amended.

(c) Of the personnel employed in the United States to carry out part II, not to exceed eight may be compensated at rates higher than those provided for grade 15 of the general schedule established by the Classification Act of 1949, as amended, [and of these, not to exceed three may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year] *but not in excess of the highest rate of grade 18 of such general schedule.* Such positions shall be in addition to those authorized by law to be filled by Presidential appointment, and in addition to the number authorized by section 505 of the Classification Act of 1949, as amended.

PEACE CORPS ACT

SEC. 7. (a) * * *

(b) Of the persons so employed in the United States in activities authorized by this Act, not to exceed thirty may be compensated without regard to the provisions of the Classification Act of 1949, as amended, of whom not to exceed twenty may be compensated at rates higher than those provided for grade fifteen of the general schedule established by the Classification Act of 1949, as amended, [and of these not to exceed two may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year] *but not in excess of the highest rate of grade*

18 of such general schedule. Such positions shall be in addition to those authorized by section 4(a) of this Act to be filled by Presidential appointment, and in addition to the number authorized by section 505 of the Classification Act of 1949, as amended.

SECTION 508 OF TITLE 28 OF THE UNITED STATES CODE

§ 508. Salaries.

The Attorney General shall fix the annual salaries of United States attorneys, assistant United States attorneys, and attorneys appointed under section 503 of this title within the following limitations:

United States attorneys—not less than $12,000 or more than $20,000; and

[Assistant United States attorneys and attorneys appointed under section 503 of this title—not more than $15,000].

Assistant United States attorneys and attorneys appointed under section 503 of this title—not more than $17,500.

THIRD PROVISO OF SECTION 3 OF ACT OF OCTOBER 30, 1951, AS AMENDED

[*Provided further,* That pieces or packages of such size or form as to prevent ready facing and tying in bundles and requiring individual distributing throughout shall be subject to a minimum charge of 3½ cents each].

SECTIONS 204(d), 204(e)(1), AND 204(e)(2) OF THE POSTAL RATE REVISION AND FEDERAL EMPLOYEES SALARY ACT OF 1948, AS AMENDED

[(d) The following materials when in parcels not exceeding seventy pounds in weight may be sent at the postage rate of 9 cents for the first pound and 5 cents for each additional pound or fraction thereof, except that the rates now or hereafter prescribed for third- or fourth-class matter shall apply in every case where such rate is lower than the rate prescribed in this subsection, and this rate shall continue until otherwise provided by the Congress: (1) books permanently bound for preservation consisting wholly of reading matter or scholarly bibliography or reading matter with incidental blank spaces for notations and containing no advertising matter other than incidental announcements of books; (2) sixteen-millimeter films and sixteen-millimeter film catalogs except when sent to commercial theaters; (3) printed music whether in bound form or in sheet form; (4) printed objective test materials and accessories thereto used by or in behalf of educational institutions in the testing of ability, aptitude, achievement, interests, and other mental and personal qualities with or without answers, test scores, or identifying information recorded thereon in writing or by mark; (5) sound recordings; (6) manuscripts for books, periodical articles, and music; and (7) printed educational reference charts, permanently processed for preservation.

[(e) (1) The following materials when in parcels not exceeding seventy pounds in weight when loaned or exchanged (including cooperative processing by libraries) between (A) schools, colleges, or universities and (B) public libraries, religious, educational, scientific,

philanthropic, agricultural, labor, veterans', or fraternal organizations or associations not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual, or between such organizations and their members or readers or borrowers, shall be charged with postage at the rate of 4 cents for the first pound and 1 cent for each additional pound or fraction thereof, except that the rates now or herafter prescribed for third- or fourth-class matter shall apply in every case where such rate is lower than the rate prescribed in this subsection, and this rate shall continue until otherwise provided by the Congress: (i) books consisting wholly of reading matter or scholarly bibliography or reading matter with incidental blank spaces for notations and containing no advertising matter other than incidental announcements of books; (ii) printed music, whether in bound form or in sheet form; (iii) bound volumes of academic theses in typewritten or other duplicated form; (iv) periodicals, whether bound or unbound; (v) sound recordings; and (vi) other library materials in printed, duplicated, or photographic form or in the form of unpublished manuscripts.

[(2) The rate provided in paragraph (1) for books may apply to sixteen-millimeter films, film-strips, transparencies for projection and slides, microfilms, sound recordings, scientific or mathematical kits, instruments, or other devices, catalogs of such materials, and guides or scripts prepared solely for use with such materials when sent in parcels not exceeding seventy pounds in weight to or from (A) schools, colleges, or universities and (B) public libraries, religious, educational, scientific, philanthropic, agricultural, labor, veterans' or fraternal organizations or associations, not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual.]

SECTION 1310(a) OF ACT OF NOVEMBER 1, 1951

(a) The Civil Service Commission and the heads of the executive departments, agencies, and corporations shall make full use of their authority to require that initial appointments to positions in and outside the competitive civil service shall be made on other than a permanent basis in order to prevent increases in the number of permanent personnel of the Federal Government in excess of 10 per centum above the total number of permanent employees on September 1, 1950: *Provided, That increases in the number of permanent personnel in the Postal Field Service not exceeding 10 per centum above the total number of its permanent employees on September 1, 1950 shall not be chargeable to this limitation: And provided further,* That any position vacated by a permanent employee called to military service or transferred to a national defense agency shall not be filled except on a temporary or indefinite basis. All appointments, reinstatements, transfers, and promotions to positions subject to the Classification Act of 1949 shall be made with the condition and notice to each individual appointed, reinstated, transferred, or promoted that the classification grade of the position is subject to post-audit and correction by the appropriate departmental or agency personnel office or the Civil Service Commission.

LEGISLATIVE APPROPRIATION ACT, 1956, AS AMENDED (74 STAT. 304: PUBLIC LAW 86–568)

* * * * * * *

No officer or employee whose compensation is disbursed by the Secretary of the Senate shall be paid basic compensation at a rate in excess of $8,880 per annum, or gross compensation at a rate in excess of [$18,700] *$18,800,* unless expressly authorized by law.

CIVIL SERVICE RETIREMENT ACT

SEC. 1. * * *

(t) The term "price index" shall mean the annual average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics.

* * * * * * *

COST-OF-LIVING ADJUSTMENT OF ANNUITIES

SEC. 18. (a) After January 1, 1964, and after each succeeding January 1, the Commission shall determine the per centum change in the price index from the later of 1962 or the year preceding the most recent cost-of-living adjustment to the latest complete year. On the basis of such Commission determination, the following adjustments shall be made:

(1) Effective April 1, 1964, if the change in the price index from 1962 to 1963 shall have equaled a rise of at least 3 per centum, each annuity payable from the fund which has a commencing date earlier than January 2, 1963, shall be increased by the per centum rise in the price index adjusted to the nearest one-tenth of 1 per centum.

(2) Effective April 1 of any year other than 1964 after the price index change shall have equaled a rise of at least 3 per centum, each annuity payable from the fund which has a commencing date earlier than January 2 of the preceding year shall be increased by the per centum rise in the price index adjusted to the nearest one-tenth of 1 per centum.

(b) Eligibility for an annuity increase under this section shall be governed by the commencing date of each annuity payable from the fund as of the effective date of an increase, except as follows:

(1) Effective from the date of the first increase under this section, an annuity payable from the fund to an annuitant's survivor (other than a child entitled under section 10(d)), which annuity commenced the day after the annuitant's death, shall be increased as provided in subsection (a) (1) or (a)(2) if the commencing date of annuity to the annuitant was earlier than January 2 of the year preceding the first increase.

(2) Effective from its commencing date, an annuity payable from the fund to an annuitant's survivor (other than a child entitled under section 10 (d)), which annuity commences the day after the annuitant's death and after the effective date of the first increase under this section, shall be increased by the total per centum increase the annuitant was receiving under this section at death.

(3) For purposes of computing an annuity which commences after the effective date of the first increase under this section to a

child under section 10(d), the items $600, $720, $1,800, and $2,160 appearing in section 10(d) shall be increased by the total per centum increase allowed and in force under this section, and, in case of a deceased annuitant, the items 40 per centum and 50 per centum appearing in section 10(d) shall be increased by the total per centum increase allowed and in force under this section to the annuitant at death. Effective from the date of the first increase under this section, the provisions of this paragraph shall apply as if such first increase were in effect with respect to computation of a child's annuity under section 10(d) which commenced between January 2 of the year preceding the first increase and the effective date of the first increase.

(c) No increase in annuity provided by this section shall be computed on any additional annuity purchased at retirement by voluntary contributions.

(d) The monthly installment of annuity after adjustment under this section shall be fixed at the nearest dollar.

SHORT TITLE

SEC. [18] *19.* This Act may be cited as the "Civil Service Retirement Act".

SECTION 9(g) OF THE CIVIL SERVICE RETIREMENT ACT

[(g) Any employee or Member retiring under section 6, 7, or 8 may at the time of retirement elect a reduced annuity, in lieu of the annuity as hereinbefore provided, and designate in writing his wife or husband to receive an annuity after the retired individual's death computed as provided in section 10(a)(1). The annuity of the employee or Member making such election, excluding any increase because of retirement under section 7, shall be reduced by 2½ per centum of so much of the portion thereof designated under section 10(a)(1) as does not exceed $2,400 and by 10 per centum of so much of the portion so designated as exceeds $2,400.]

(g) The annuity as hereinbefore provided (excluding any increase because of retirement under section 7) for any married employee or Member retiring under this Act, or any portion of such annuity designated in writing for purposes of section 10(a)(1), shall be reduced by 2½ per centum of so much thereof as does not exceed $3,600 and by 10 per centum of so much thereof as exceeds $3,600, unless the employee or Member notifies the Commission in writing at the time of retirement that he does not desire his wife or husband to receive an annuity as provided in section 10(a)(1).

SECTION 10(a)(1) OF THE CIVIL SERVICE RETIREMENT ACT

[SEC. 10. (a) (1) If a Member or employee dies after having retired under any provision of this Act and is survived by a wife or husband designated under section 9(g) such wife or husband shall be paid an annuity equal to 50 per centum of so much of an annuity computed as provided in subsections (a), (b), (c), (d), (e), and (f) of section 9, as may apply with respect to the annuitant, as is designated in writing for such purpose by such Member or employee at the time he makes the election provided for by section 9(g).]

SEC. 10. (a) (1) If an employee or Member dies after having retired under any provision of this Act and is survived by a wife or husband to whom the employee or Member was married at the time of retirement such wife or husband shall be paid an annuity equal to 55 per centum of an annuity computed as provided in subsections (a), (b), (c), (d), (e), and (f) of section 9, as may apply with respect to the annuitant, or of such portion thereof as may have been designated in writing for such purpose by the employee or Member at the time of retirement, unless the employee or Member has notified the Commission in writing at the time of retirement that he does not desire his wife or husband to receive such annuity.

(2) An annuity computed under this subsection shall commence on the day after the retired employee or Member dies, and such annuity or any right thereto shall terminate on the last day of the month before the survivor's death or remarriage.

(b) The annuity of a survivor designated under section 9(h) shall be [50 per centum] *55 per centum* of the reduced annuity computed as provided in subsections (a), (b), (c), (d), (e), (f), and (h) of section 9 as may apply with respect to the annuitant. The annuity of such survivor shall commence on the day after the retired employee or Member dies, and such annuity or any right thereto shall terminate on the last day of the month before the survivor's death.

(c) If an employee or a Member dies after completing at least five years of civilian service, the widow or dependent widower of such employee or member shall be paid an annuity equal to [50 per centum] *55 per centum* of an annuity computed as provided in subsections (a), (b), (c), (e), and (f) of section 9 as may apply with respect to the employee or Member. The annuity of such widow or dependent widower shall commence on the day after the employee or Member dies, and such annuity or any right thereto shall terminate on the last day of the month before (1) death or remarriage of the widow or widower or (2) the widower's becoming capable of self-support.

* * * * * * *

(e) In case a Member separated from service with title to a deferred annuity under this Act, either prior to, on, or after the effective date of the Civil Service Retirement Act Amendments of 1956, shall hereafter die before having established a valid claim for annuity and is survived by a wife or husband to whom married at date of separation, such surviving wife or husband (1) shall be paid an annuity equal to [50 per centum] *55 per centum* of the Member's deferred annuity commencing on the day after the Member's death and terminating on the last day of the month before death or remarriage of such surviving wife or husband or (2) may elect to receive a lump-sum credit in lieu of annuity if such wife or husband is the person who would be entitled to the lump-sum credit and files application therefor with the Commission prior to the award of such annuity.

SECTION 8(c)(1) OF CIVIL SERVICE RETIREMENT ACT OF MAY 29, 1930, AS AMENDED BY PUBLIC LAW 555, 82D CONGRESS, AND PUBLIC LAW 747, 83D CONGRESS

(c)(1) * * * *Provided*, That such increase in annuity shall not exceed the smallest of the following amounts: (1) $324, (2) 25 per centum of the annuity, including annuity purchased by voluntary contributions under the second paragraph of section 10 of this Act, as of August 31, 1952, [or (3) the sum necessary to increase such annuity, exclusive of annuity purchased by voluntary contributions under the second paragraph of section 10 of this Act, to $2,160] * * *

SECTION 8(d)(1) OF CIVIL SERVICE RETIREMENT ACT OF MAY 29, 1930, AS AMENDED BY PUBLIC LAW 369, 84TH CONGRESS

(d)(1) * * * [Such increase in annuity shall not exceed the sum necessary to increase such annuity, exclusive of annuity purchased by voluntary contributions under the second paragraph of section 10 of this Act, to $4,104.] * * *

○

Calendar No. 2086

87TH CONGRESS
2D SESSION

H. R. 7927

[Report No. 2120]

IN THE SENATE OF THE UNITED STATES

JANUARY 25, 1962

Read twice and referred to the Committee on Post Office and Civil Service

SEPTEMBER 24, 1962

Reported by Mr. JOHNSTON, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

AN ACT

To adjust postal rates, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

~~SHORT TITLE~~

~~SECTION 1. This Act may be cited as the "Postage Revision Act of 1962".~~

~~POSTAL POLICY~~

~~SEC. 2. (a) Section 2302(c)(4) of title 39, United State Code, is amended by striking out "deemed to be attributable to the performance of public services under section 2303(b) of this title" and inserting in lieu thereof "deter-~~

mined under section 2303 of this title to be attributable to the performance of public services".

(b) Section 2303(a) of title 39, United States Code, is amended—

(1) by amending the heading so as to read "§ 2303. **Identification of public services and costs thereof**";

(2) by striking out paragraph (2) and renumbering the succeeding paragraphs accordingly; and

(3) by adding at the end thereof the following new sentence:

"The terms 'total loss' and 'loss' as used in this subsection mean the amounts by which the total allocated costs incurred by the postal establishment in the performance of the public services enumerated in this subsection exceed the total revenues received by the postal establishment for the performance of such public services."

(c) Section 2303(b) of title 39, United States Code, is amended to read as follows:

"(b) The Postmaster General shall report to the Congress, on or before February 1 of each year beginning with the year 1963, the estimated amount by which, in the then current fiscal year, the cost incurred by the postal establishment in the performance of each of the public services enumerated in subsection (a) of this section exceeds the revenue received by the postal establishment for the perform-

ance of each such public service. The aggregate amount by which, in any fiscal year, the costs incurred by the postal establishment in the performance of each such public services exceed the aggregate amount of the revenues received by the postal establishment for the performance of such public services shall be excluded from the total cost of operating the postal establishment for purposes of adjustment of postal rates and fees."

(d) The table of contents of chapter 27 of title 39, United States Code, is amended by striking out

"2303. Identification of and appropriations for public services."

and inserting in lieu thereof:

"2303. Identification of public services and costs thereof.".

FIRST-CLASS MAIL

SEC. 3. Section 4253 of title 39, United States Code, is amended by striking out the words "four" and "three" wherever appearing in subsection (a) and inserting in lieu thereof the words "five" and "four", respectively.

AIRMAIL

SEC. 4. Section 4303 of title 39, United States Code, is amended—

(1) by striking out the word "seven" in subsection (a) and inserting in lieu thereof the word "eight";

(2) by striking out the word "five" in subsection (b) and inserting in lieu thereof the word "six"; and

(3) by striking out the phrase "3 cents an ounce or fraction thereof" in paragraph (2) of subsection (d) and inserting in lieu thereof the phrase "the rate of postage for other first-class mail matter".

SEC. 5. Paragraph (1), subsection (a), section 4358, of title 39, United States Code, is amended to read as follows—

"(1) resides in the county in which the publication is published; and".

SECOND-CLASS MAIL BEYOND COUNTY OF PUBLICATION

SEC. 6. Section 4359 of title 39, United States Code, is amended—

(1) by striking out so much of subsection (b) as precedes the table and inserting in lieu thereof the following:

"(b)(1) Subject to the minimum rate provided for publications of qualified nonprofit organizations and classroom publications by section 4360 of this title, the rates of postage on publications mailed in accordance with subsection (a) of this section are fixed both by the piece as provided in paragraph (2) of this subsection and by the pound as provided in the following table:

"[In cents]"; and

(2) by adding at the end of subsection (b) a new paragraph (2), as follows:

"(2) The piece rates of postage are charged on each individually addressed copy of a publication (except a publication of a qualified nonprofit organization and a classroom publication) mailed in accordance with subsection (a) of this section in addition to the pound rates. The piece rates are as follows:

"Publications other than classroom publications and other than publications of qualified nonprofit organizations—½ cent, effective on and after July 1, 1962, and before July 1, 1963; and 1 cent, effective on and after July 1, 1963."

MINIMUM POSTAGE RATES ON SECOND-CLASS MAIL

SEC. 7. Section 4360 of title 39, United States Code, is amended to read as follows:

"§ 4360. **Minimum postage**

"The minimum rate of postage is one-eighth cent for each individually addressed copy of—

"(1) a classroom publication or a publication of a qualified nonprofit organization mailed under section 4359 of this title, or

"(2) any publication mailed for delivery within the county of publication except when mailed free under section 4358(a) of this title."

CONTROLLED CIRCULATION PUBLICATIONS

SEC. 8 Section 4422 of title 39, United States Code, is amended by striking out "12 cents" and inserting in lieu thereof "14 cents".

THIRD-CLASS MAIL

SEC 9. (a) Section 4451(d) of title 39, United States Code, is amended by striking out "(a)(2)" and inserting in lieu thereof "(a)(3)".

(b) Section 4452 of title 39, United States Code, is amended—

(1) by amending the table in subsection (a) to read as follows:

"Type of mailing	Rate	Unit
	Cents	
(1) Individual piece	4	First 2 ounces or fraction thereof.
	11½	Each additional ounce or fraction thereof.
(2) Bulk mailings under subsec. (c) of this section of:		
(A) Books and catalogs of 24 pages or more; seeds, cuttings, bulbs, roots, scions and plants:		
(i) Qualified nonprofit organizations.	10	Each pound or fraction thereof.
(ii) Others	18	Do.
(B) Other matter	21	Do."

(2) by amending the table in subsection (b) to read as follows:

"Mailed by—	(In cents)
Other than qualified nonprofit organizations	3½
Qualified nonprofit organizations	1¼";

and

(3) by amending subsection (c) to read as follows:

"(c) The minimum postage rate on pieces or packages of third-class mail of such size or form as to prevent ready facing and tying in bundles and requiring individual distribution is four and one-half cents."

(c) The third proviso in section 3 of the Act of October 30, 1951, as amended by the Act of June 23, 1959 (73 Stat. 89; Public Law 86-56), is hereby repealed.

EDUCATIONAL AND LIBRARY MATERIALS

SEC. 10. (a) Section 4554 of title 39, United States Code, is amended—

(1) by amending that part of subsection (a) which precedes paragraph (1) to read as follows:

"(a) Except as provided in subsection (b) of this section, the postage rate is 9 cents a pound for the first pound or fraction thereof and 5 cents for each additional

pound or fraction thereof, except that the rates now or hereafter prescribed for third- or fourth-class matter shall apply in every case where such rate is lower than the rate prescribed in this subsection on—

(2) by amending paragraph (5) of subsection (a) to read as follows:

"(5) sound recordings;";

(3) by striking out the period at the end of paragraph (6) of subsection (a) and inserting in lieu thereof a semicolon and the word "and";

(4) by adding at the end of subsection (a) the following:

"(7) printed educational reference charts, permanently processed for preservation.";

(5) by inserting "(including cooperative processing by libraries)" immediately following "loaned or exchanged" in paragraph (1) of subsection (b);

(6) by striking out the word "students'" immediately preceding the word "notations" in paragraph (1) of subsection (a) and in paragraph (2) of subsection (b);

(7) by striking out:

"(D) bound volumes of periodicals;

"(E) phonograph recordings; and"

in paragraph (2) of subsection (b) and inserting in lieu thereof:

"(D) periodicals, whether bound or unbound;

"(E) sound recordings; and "; and

(8) by striking out "and catalog of those items" in subsection (c) and inserting in lieu thereof "scientific or mathematical kits, instruments, or other devices and catalogs of those items, and guides or scripts prepared solely for use with such materials".

(b) Sections 204(d), 204(e)(1), and 204(e)(2) of the Postal Rate Revision and Federal Employees Salary Act of 1948, as amended by the Act of July 14, 1960 (74 Stat. 479; Public Law 86-644), are hereby repealed.

METHOD OF DETERMINING GROSS RECEIPTS

SEC. 11. Section 711(e) of title 39, United States Code, is amended by striking out "Public Law 85-426" and inserting in lieu thereof "any Act of Congress enacted on or after May 27, 1958".

COMMUNIST POLITICAL PROPAGANDA

SEC. 12. (a) Section 505 of title 39, United States Code, is amended by inserting immediately after the first sentence and before the second sentence in subsection (a) thereof, the following sentence: "In furtherance of this authority to counteract adverse usage of the mails and to reduce the domestic postal deficit, no international mail

~~handling arrangement under which any postal rate, whether or not reciprocal, is established, shall permit the receipt, handling, transport, or delivery by the United States Post Office Department of mail matter determined by the Attorney General to be Communist political propaganda."~~

~~(b) (1) Chapter 51 of title 39, United States Code, is amended by adding at the end thereof the following section:~~

~~"§ 4008. Communist political propaganda~~

~~"No United States postal rate established by the Postage Revision Act of 1962 shall be available for the receipt, handling, transportation, or delivery of mail matter determined by the Attorney General of the United States to be Communist political propaganda financed or sponsored directly or indirectly by any Communist controlled government."~~

~~(2) The table of contents of such chapter 51 is amended by inserting~~

~~"4008. Communist political propaganda."~~

~~immediately below~~

~~"4007. Detention of mail for temporary periods."~~

~~EFFECTIVE DATE~~

~~SEC. 13. The foregoing provisions of this Act shall become effective on July 1, 1962.~~

That this Act may be cited as the "Postal Service and Federal Employees Salary Act of 1962".

PART I—POSTAL SERVICE

TITLE I—POSTAL RATES

FIRST-CLASS MAIL

SEC. 101. Section 4253(a) of title 39, United States Code, is amended by striking out the words "four" and "three" wherever appearing in subsection (a) and inserting in lieu thereof the words "five" and "four", respectively.

AIRMAIL

SEC. 102. (a) Section 4303 of title 39, United States Code, is amended—

(1) by striking out the word "seven" in subsection (a) and inserting in lieu thereof the word "eight";

(2) by striking out the word "five" in subsection (b) and inserting in lieu thereof the word "six";

(3) by increasing each of the rates under the heading "First pound over 8 ounces or fraction thereof" in the table in subsection (d)(1) by 8 cents;

(4) by striking out paragraph (2) of subsection (d) and inserting in lieu thereof the following:

"(2) The rate of postage on air mail of the first class weighing in excess of eight ounces shall be the rate provided by subsection (a) for each ounce not in excess of eight ounces, plus 5 cents for each ounce or fraction

thereof in excess of eight ounces, but in no case less than the rate provided under paragraph (1) for air parcels."

SECOND CLASS WITHIN COUNTY OF PUBLICATION

SEC. 103. Subsections (a) and (b) of section 4358 of title 39, United States Code, are amended to read as follows:

"(a) Except as provided in subsection (b), the rate of postage on publications admitted as second-class mail when addressed for delivery within the county in which they are published and entered is as follows:

"[*In cents*]

	"*Mailed after January 6, 1963, and prior to January 1, 1965*"	*Mailed after December 31, 1964*
"*Rate per pound*"	*1*	*1¼*
Minimum charge per piece	*⅛*	*¼*

"(b) The rate of postage on the following publications admitted as second-class mail when mailed for delivery, within the county in which they are published and entered, by letter carrier at the office of mailing, shall be—

"(1) publications issued more frequently than weekly, one cent a copy;

"(2) publications issued less frequently than weekly—

"(A) weighing two ounces or less, one cent a copy;

"(B) weighing more than two ounces, two cents a copy."

SECOND CLASS BEYOND COUNTY OF PUBLICATION

SEC. 104. (a) Section 4359(b) of title 39, United States Code, is amended to read as follows:

"(b)(1) Except as provided by paragraphs (2), (3), and (4), the rates of postage on publications mailed in accordance with subsection (a) are as follows:

"[In cents]

	"Mailed after January 6, 1963, and prior to January 1, 1964	Mailed during calendar year 1964	Mailed after December 31, 1964
"Rate per pound:			
Advertising portion:			
Zones 1 and 2	3.4	3.8	4.0
Zone 3	4.4	4.8	5.0
Zone 4	6.4	6.8	7.0
Zone 5	8.4	8.8	9.0
Zone 6	10.4	10.8	11.0
Zone 7	12.0	12.0	12.0
Zone 8	14.0	14.0	14.0
Nonadvertising portion	2.6	2.7	2.8
Minimum charge per piece	.6	.8	1.0

"(2) The postage on classroom publications is 60 per centum of the postage computed in accordance with paragraph (1).

"(3) The rates of postage on publications of a qualified nonprofit organization mailed in accordance with subsection (a) are as follows:

"[In cents]

	"Mailed after January 6, 1963, and prior to January 1, 1964	Mailed during calendar year 1964	Mailed after December 31, 1964
"Rate per pound	1.6	1.7	1.8
Minimum charge per piece	1/8	1/4	1/4

"(4) In lieu of the minimum charge per piece prescribed by paragraph (1), the minimum charge per piece to be paid by the following publications (other than publications to which paragraph (2) or paragraph (3) is applicable) shall be as follows—

"(A) publications mailing fewer than 5,000 copies per issue outside the county of publication—one-half cent per piece;

"(B) any issue of a publication the advertising portion of which does not exceed 5 per centum of the entire issue—.55 of a cent per piece when mailed after January 6, 1963, and prior to January 1, 1964, .65 of a cent per piece when mailed during calendar year 1964, and .75 of a cent per piece when mailed after December 31, 1964."

(b) Section 4359(e)(2) of title 39, United States Code, is amended by striking out "and fraternal," and inserting in lieu thereof the following: "fraternal, and associations of rural electric cooperatives, and not to exceed one publication published by the official highway agency of a State which meets all of the requirements of section 4354 and which contains no advertising".

(c) Section 4360 of title 39, United States Code, is repealed.

SECOND-CLASS TRANSIENT MAIL

SEC. 105. Section 4362 of title 39, United States Code, is amended by striking out "two cents" and inserting in lieu thereof "four cents".

CONTROLLED CIRCULATION PUBLICATIONS

SEC. 106. Section 4422 of title 39, United States Code, is amended by striking out "12 cents a pound or fraction thereof" and inserting in lieu thereof the following: "12½ cents a pound or fraction thereof when mailed after January 6, 1963, and prior to January 1, 1964, 13 cents a pound or fraction thereof when mailed during calendar year 1964, and 13½ cents a pound or fraction thereof when mailed after December 31, 1964".

THIRD-CLASS MAIL

SEC. 107. Section 4452 of title 39, United States Code, is amended—

(1) by amending subsections (a), (b), and (c) to read as follows:

"(a) Except as provided in subsection (c) of this section, and subject to the minimum charge per piece provided

in subsection (b) of this section, the postage rates on third-class mail are as follows:

"Type of mailing	Rate	Unit
	Cents	
(1) Individual piece	4	First 2 ounces or fraction thereof.
	2	Each additional ounce or fraction thereof.
(2) Bulk mailings under subsec. (e) of this section of:		
(A) Books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions and plants.	12	Each pound or fraction thereof.
(B) Other matter	18	Do.

"(b) Matter mailed in bulk under subsection (e) of this section is subject to a minimum charge for each piece of $2\frac{5}{8}$ cents when mailed subsequent to January 6, 1963 and prior to January 1, 1964, $2\frac{6}{8}$ cents when mailed during calendar year 1964, and $2\frac{7}{8}$ cents when mailed after December 31, 1964.

"(c) The postage on matter mailed in bulk under subsection (e) by qualified nonprofit organizations is 50 per centum of the postage computed in accordance with subsections (a) and (b)."

(2) by striking out "subsections (a) and (b) of" wherever it appears in subsection (d).

(3) by striking out "$20" and "twenty pounds" in subsection (e) and inserting in lieu thereof "$30" and "fifty pounds", respectively.

FOURTH-CLASS MAIL

SEC. 108. Section 4552(b)(5) of title 39, United States Code, relating to size and weight limitations on fourth-class matter mailed to or from certain areas, is amended by striking out the words "Territory of Hawaii" and inserting in lieu thereof the words "States of Alaska and Hawaii,".

SEC. 109. Section 4554 of title 39, United States Code (relating to books, films, and similar educational materials), is amended by striking out that part of subsection (a) which precedes paragraph (1) and inserting in lieu thereof the following:

"(a) Except as provided in subsection (b) of this section, the postage rate is 9½ cents a pound for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof when mailed after January 6, 1963 and prior to January 1, 1964, and 10 cents for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof when mailed after December 31, 1963, except that the rate now or hereafter prescribed for third- or fourth-class matter shall apply in every case where such rate is lower than the rate prescribed in this subsection on—".

FEES FOR SECOND-CLASS ENTRY AND REGISTRATION

SEC. 110. Section 4357 of title 39, United States Code, is amended—

(1) by striking out "$25" in subsection (a)(1) and inserting in lieu thereof "$30";

(2) by striking out "$50" in subsection (a)(2) and inserting in lieu thereof "$60";

(3) by striking out "$100" in subsection (a)(3) and inserting in lieu thereof "$120";

(4) by striking out "$10" in the first sentence of subsection (b) and inserting in lieu thereof "$15";

(5) by striking out the second sentence of subsection (b) and inserting in lieu thereof the following: "The fee for each additional entry is $15, except that if the additional entry is made within zones 3 to 8, inclusive, (determined from the office of publication and entry) of the zones established for purposes of fourth-class mail, such fee shall be $50.";

(6) by striking out "$20" in subsection (c) and inserting in lieu thereof "$25"; and

(7) by striking out the last sentence in subsection (d).

PERMIT FEES FOR MAILING WITHOUT STAMPS

SEC. 111. Section 4052(b) of title 39, United States Code, is amended by striking out "$10" and inserting in lieu thereof "$15".

FIXING OF FEES BY POSTMASTER GENERAL

SEC. 112. Section 507 of title 39, United States Code, is amended by adding at the end thereof the following:

"(12) the issuance of a permit for prepayment of postage without stamps.

"(13) the entry, re-entry, or additional entry of a periodical publication as second-class mail.

"(14) the registry of a news agent.

Fees prescribed by the Postmaster General under paragraphs (12) to (14), inclusive, shall be collected in lieu of the corresponding fees established under section 4052(b) or 4357."

KEYS AND OTHER SMALL ARTICLES

SEC. 113. Section 4651(b) of title 39, United States Code, is amended by striking out "5 cents" and inserting in lieu thereof "6 cents".

METHOD OF DETERMINING GROSS RECEIPTS

SEC. 114. Section 711(c) of title 39, United States Code, is amended by striking out "Public Law 85–426" and inserting in lieu thereof "any Act of Congress enacted on or after May 27, 1958".

TITLE II—POSTAL POLICY

SEC. 201. (a) Section 2302(c)(4) of title 39, United States Code, is amended by striking out "deemed to be attributable to the performance of public services under section 2303(b) of this title" and inserting in lieu thereof "determined under section 2303 of this title to be attributable to the performance of public services".

(b) Section 2303(a) of title 39, United States Code, is amended—

(1) by amending the heading so as to read

"§ 2303. Identification of public services and costs thereof";

(2) by striking out paragraph 1(A) and inserting in lieu thereof the following:

"(A) reduced rates for certain publications as provided by section 4359 of this title;";

(3) by striking out paragraph 1(C) and inserting in lieu thereof the following:

"(C) second class mailings at postage rates as provided by section 4358 of this title;"; and

(4) by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) 10 per centum of the gross cost of the operation of third-class post offices and the star route system, and 20 per centum of the gross cost of the operation of fourth-class post offices and rural routes."

(5) by adding at the end thereof the following new sentence: "The terms 'total loss' and 'loss' as used in this section mean the amounts by which the total allocated costs incurred by the postal establishment in the performance of the public services enumerated in this subsection exceed the total revenues received by the postal establishment for the performance of such public services."

(c) Section 2303(b) of title 39, United States Code, is amended to read as follows:

"(b) The Postmaster General shall report to the Congress, on or before February 1 of each year beginning with the year 1963, the estimated amount of the losses or costs (or percentage of costs) specified in subsection (a) incurred by the postal establishment in the then current fiscal year in the performance of the public services enumerated in such subsection. The aggregate amount of the losses or costs (or percentage of costs) specified in subsection (a), incurred by

the postal establishment in any fiscal year in the performance of such public services, shall be excluded from the total cost of operating the postal establishment for purposes of adjustment of postal rates and fees, including any adjustment pursuant to the provisions of section 207(b) of the Act of February 28, 1925, relating to reformation of classification (39 U.S.C., 1958 ed. 247)."

(d) The table of contents of chapter 27 of title 39, United States Code, is amended by striking out

"*2303. Identification of and appropriations for public services.*"

and inserting in lieu thereof:

"*2303. Identification of public services and costs thereof.*".

Title III—Miscellaneous

Eligibility of certain organizations for second-class entry

Sec. 301. Section 4355(a) of title 39, United States Code, is amended—

(1) by inserting after the words "State board of health" in subparagraph (3) a comma and the words "or a State industrial development agency";

(2) by striking out the period at the end of subparagraph (9) and inserting in lieu of such period a semicolon and the word "or"; and

(3) by adding at the end thereof the following new subparagraph (10):

"(10) published by any public or nonprofit private elementary or secondary institution of learning or its administrative or governing body.".

EDUCATIONAL MATERIALS

SEC. 302. Section 4554 of title 39, United States Code, is amended—

(1) by striking out paragraph (5) of subsection (a) and inserting in lieu thereof the following:

"(5) sound recordings, including incidental announcements of recordings and guides or scripts prepared solely for use with such recordings;";

(2) by striking out the period at the end of paragraph (6) of subsection (a) and inserting in lieu thereof a semicolon;

(3) by adding at the end of subsection (a) the following:

"(7) printed educational reference charts, permanently processed for preservation; and

"(8) looseleaf pages, and binders therefor, consisting of medical information for distribution to doctors, hospitals, medical schools, and medical students."

(4) by striking out the word "students' " immediately preceding the word "notations" in paragraph (1) of subsection (a) and in paragraph (2) of subsection (b);

(5) by inserting after the words "loaned or ex-

changed" in paragraph (1) of subsection (b) the following: "(including cooperative processing by libraries)";

(6) by striking out:

"(D) bound volumes of periodicals;

"(E) phonograph recordings; and"

in paragraph (2) of subsection (b) and inserting in lieu thereof:

"(D) periodicals, whether bound or unbound;

"(E) sound recordings; and"; and

(7) by striking out "and catalog of those items" in subsection (c) and inserting in lieu thereof "scientific or mathematical kits, instruments, or other devices and catalogs of those items, and guides or scripts prepared solely for use with such materials".

READING AND OTHER MATERIALS FOR BLIND PERSONS

SEC. 303. Sections 4653 and 4654 of title 39, United States Code, are amended to read as follows:

"§ 4653. Publications for blind persons

"(a) The following matter may be mailed free of postage—

"(1) books, pamphlets, and other reading matter, including pages thereof:

"(A) published (whether prepared by hand, or printed) either in raised characters or in sight saving

size type, or in the form of sound recordings, for use of blind persons;

"(B) in packages not exceeding the weight prescribed by the Postmaster General;

"(C) containing no advertising or other matter whatsoever;

"(D) unsealed;

"(E) sent—

"(i) by an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, as a loan to blind readers, or when returned by the blind reader to the lender; or

"(ii) to a blind person without cost to the blind person; or

"(iii) to an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, to be furnished to a blind person without cost to such blind person.

"(2) magazines, periodicals, and other regularly issued publications;

"(A) published (whether prepared by hand, or printed) either in raised characters or in sightsaving-size type, or in the form of sound recordings, for use of blind persons;

"(B) containing no advertising;

"(C) for which no subscription fee is charged.

"(b) There may be mailed at the rate of postage of 1 cent for each pound or fraction thereof—

"(1) books, pamphlets, and other reading matter, including pages thereof:

"(A) published (whether prepared by hand, or printed) either in raised characters or in sight-saving-size type, or in the form of sound recordings, for use of blind persons;

"(B) in packages not exceeding the weight prescribed by the Postmaster General;

"(C) containing no advertising or other matter whatsoever;

"(D) unsealed;

"(E) sent—

"(i) by an institution, agency, publisher, organization, or association (including a library or school and including organizations or associa-

tions of or for blind people), not conducted for private profit, on a rental basis to blind readers, or when returned by the blind reader to such organizations, at a price not greater than the cost price thereof; or

"(ii) to a blind person at a price not greater than the cost price thereof; or

"(iii) to an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, to be furnished to a blind person at a price not greater than the cost price thereof.

"(2) magazines, periodicals, and other regularly issued publications:

"(A) published (whether prepared by hand, or printed) either in raised characters or in sight-saving size type, or in the form of sound recordings, for use of blind persons;

"(B) containing no advertising;

"(C) when furnished by an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for

private profit, to a blind person, at a price not greater than the cost price thereof.

"§ 4654. ***Reproducers, sound recordings, and other materials and appliances for the preparation of reading matter for blind persons***

"(a) Reproducers, or parts thereof, for sound recordings for blind persons which are the property of the United States Government may be mailed free of postage when sent for repair, or returned after repair—

"(1) by an organization, institution, public library, or association for blind persons, not conducted for private profit;

"(2) by a blind person to such an agency not conducted for private profit;

"(3) from such an agency to an organization, institution, public library, or association for blind persons not conducted for private profit; or

"(4) to a blind person.

"(b) The Postmaster General may extend the free mailing privilege provided by subsection (a) of this section to reproducers or parts thereof for sound recordings for blind persons, braille writers and other appliances for blind persons or parts thereof, that are the property of—

"(1) State governments or subdivisions thereof;

"(2) public libraries;

"(3) private agencies for the blind not conducted for private profit; or

"(4) blind individuals.

"(c) The Postmaster General may also permit the mailing free of postage of paper, records, tapes, and other materials for use by the recipients for the production (whether by hand or printed) of reading matter either in raised characters or sight saving size type, or in the form of sound recordings, for use of blind persons, where such materials are the property of—

"(1) State governments or subdivisions thereof;

"(2) public libraries;

"(3) private agencies for the blind not conducted for private profit; or

"(4) blind individuals."

REPEALS AND TECHNICAL AMENDMENTS

SEC. 304. (a) The following provisions of law are repealed:

(1) The third proviso in section 3 of the Act of October 30, 1951, as amended by the Act of June 23, 1959 (73 Stat. 89; Public Law 86–56);

(2) Sections 204(d), 204(e)(1), and 204(e)(2) of the Postal Rate Revision and Federal Employees Salary Act of 1948, as amended by the Act of July 14, 1960 (74 Stat. 479; Public Law 86–644);

(3) Sections 4361 and 4652 of title 39, United States Code.

(b) Section 4359(a) of title 39, United States Code, is amended by striking out "4358, 4361, and 4362" and inserting in lieu thereof "4358 and 4362".

(c) Section 4451(d) of title 39, United States Code, is amended by striking out "(a)(2)" and inserting in lieu thereof "(a)(3)".

COMMUNIST POLITICAL PROPAGANDA

SEC. 305. (a) Chapter 51 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"§ *4008. Communist political propaganda*

"(a) Mail matter, except sealed letters, which originates or which is printed or otherwise prepared in a foreign country and which is determined by the Secretary of the Treasury pursuant to rules and regulations to be promulgated by him to be 'Communist political propaganda', shall be detained by the Postmaster General upon its arrival for delivery in the United States, or upon its subsequent deposit in the United States domestic mails, and the addressee shall be notified that such matter has been received and will be delivered only upon the addressee's request, except that such detention shall not be required in the case of any matter which is furnished pursuant to subscription or which is otherwise ascertained by the

Postmaster General to be desired by the addressee. If no request for delivery is made by the addressee within a reasonable time, which shall not exceed sixty days, the matter detained shall be disposed of as the Postmaster General directs.

"(b) For the purposes of this section, the term 'Communist political propaganda' means political propaganda, as defined in section 1(j) of the Foreign Agents Registration Act of 1938, as amended (22 U.S.C. 611(j)), issued by or on behalf of any country with respect to which there is in effect a suspension or withdrawal of tariff concessions pursuant to section 5 of the Trade Agreements Extension Act of 1951 or section 231 of the Trade Expansion Act of 1962, or any country from which any type of foreign assistance is withheld pursuant to section 620(f) of the Foreign Assistance Act of 1961, as amended.

"(c) The provisions of this section shall not be applicable with respect to (1) matter addressed to any United States Government agency, or any library, or to any college, university, graduate school, or scientific or professional institution for advanced studies, or any individual connected therewith, or (2) material whether or not 'communist political propaganda' addressed for delivery in the United States pursuant to a reciprocal international agreement under which the

United States Government mails an equal amount of material for delivery in any country described in subsection (b)."

(b) The table of contents of chapter 51 of title 39, United States Code, is amended by adding at the end thereof the following:

"4008. Communist political propaganda."

EFFECTIVE DATE

SEC. 306. Except as otherwise provided, the foregoing provisions of this part shall become effective on January 7, 1963.

PART II—FEDERAL SALARY REFORM

TITLE I—GENERAL POLICY

SHORT TITLE

SEC. 501. This part may be cited as the "Federal Salary Reform Act of 1962".

DECLARATION OF POLICY

SEC. 502. The Congress hereby declares that, whereas the functions of a Federal salary system are to fix salary rates for the services rendered by Federal employees so as to make possible the employment of persons well qualified to conduct the Government's programs and to control expenditures of public funds for personal services with equity to the employee and to the taxpayer, and whereas fulfillment of these functions is essential to the development and maintenance of maximum proficiency in the civilian services of

Government, then, accordingly, Federal salary fixing shall be based upon the principles that—

(a) There shall be equal pay for substantially equal work, and pay distinctions shall be maintained in keeping with work and performance distinctions; and

(b) Federal salary rates shall be comparable with private enterprise salary rates for the same levels of work.

Salary levels for the several Federal statutory salary systems shall be interrelated, and salary levels shall be set and henceforth adjusted in accordance with the above principles.

IMPLEMENTATION OF POLICY

SEC. 503. In order to give effect to the policy stated in section 502, the President: (1) shall direct such agency or agencies, as he deems appropriate, to prepare and submit to him annually a report which compares the rates of salary fixed by statute for Federal employees with the rates of salary paid for the same levels of work in private enterprise as determined on the basis of appropriate annual surveys conducted by the Bureau of Labor Statistics, and, after seeking the views of such employee organizations as he deems appropriate and in such manner as he may provide, (2) shall report annually to the Congress (a) this comparison of Federal and private enterprise salary rates

and (b) such recommendations for revision of statutory salary schedules, salary structures, and compensation policy, as he deems advisable.

SEC. 504. (a) Whenever the President shall find that the salary rates in private enterprise for one or more occupations in one or more areas or locations are so substantially above the salary rates of statutory pay schedules as to handicap significantly the Government's recruitment or retention of well-qualified persons in positions compensated under (1) section 603(b) of the Classification Act of 1949, as amended (5 U.S.C. 1113(b)), (2) the provisions of part III of title 39, United States Code, relating to personnel in the postal field service, (3) the pay scales for physicians, dentists, and nurses in the Department of Medicine and Surgery of the Veterans' Administration under chapter 73 of title 38, United States Code, or (4) sections 412 and 415 of the Foreign Service Act of 1946, as amended (22 U.S.C. 867 and 870), he may establish for such areas or locations higher minimum rates of basic compensation for one or more grades or levels, occupational groups, series, classes, or subdivisions thereof, and may make corresponding

increases in all step rates of the salary range for each such grade or level: Provided, That in no case shall any minimum salary rate so established exceed the seventh salary rate prescribed by law for the grade or level. The President may authorize the exercise of the authority conferred upon him by this section by the Civil Service Commission or, in the case of employees not subject to the civil service laws and regulations, by such other agency or agencies as he may designate.

(b) Within the limitations specified in subsection (a), rates of basic compensation established under such subsection may be revised from time to time by the President or by such agency or agencies as he may designate. Such actions or revisions shall have the force and effect of law.

(c) Any increase in rate of basic compensation established under this section shall not be regarded as an "equivalent increase" in compensation within the meaning of section 701(a) of the Classification Act of 1949, as amended, and section 3552 of title 39 of the United States Code.

SEC. 505. The functions, duties, and regulations of the departments and the Civil Service Commission with respect

to this title, the Classification Act of 1949, as amended, the provisions of part III of title 39, United States Code, relating to personnel in the postal field service, the Foreign Service Act of 1946, as amended, and the provisions of chapter 73 of title 38 of the United States Code relating to personnel of the Department of Medicine and Surgery in the Veterans' Administration, shall be subject to such policies and rules as the President may issue. Among other things, the President's policies and rules may provide for—

(1) preparing and reporting to him the annual comparison of Federal salary rates with private enterprise rates,

(2) obtaining and reporting to him the views of employee organizations on such annual comparison, and on other salary matters,

(3) reviewing and reporting to him on the adequacy of the Federal statutory salary structures for the Federal programs to which they apply,

(4) reviewing the relationship of Federal statutory salary rates and private enterprise salary rates in specific occupation and local areas, and

(5) providing step-increases in recognition of high quality performance and providing for properly relating supervisory salary rates paid under one system to those of subordinates paid under another system.

TITLE II—PAY SYSTEM OF THE CLASSIFICATION ACT OF 1949

SHORT TITLE

SEC. 601. This title may be cited as the "Classification Act Amendments of 1962".

BASIC COMPENSATION SCHEDULES

SEC. 602. (a) Section 603(b) of the Classificaton Act of 1949, as amended (74 Stat. 298; 5 U.S.C. 1113(b)), is amended to read as follows:

"(b) The compensation schedules for the General Schedule shall be as follows:

"COMPENSATION SCHEDULE I

"(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act, and ending immediately prior to the applicable initial effective date of Compensation Schedule II set forth below)

"Grade	Per annum rates and steps									
	1	2	3	4	5	6	7	8	9	10
GS-1	$3,245	$3,350	$3,455	$3,560	$3,665	$3,770	$3,875	$3,980	$4,085	$4,190
GS-2	3,560	3,665	3,770	3,875	3,980	4,085	4,190	4,295	4,400	4,505
GS-3	3,820	3,925	4,030	4,135	4,240	4,345	4,455	4,580	4,705	4,830
GS-4	4,110	4,250	4,390	4,530	4,670	4,810	4,950	5,090	5,230	5,370
GS-5	4,565	4,725	4,885	5,045	5,205	5,365	5,525	5,685	5,845	6,005
GS-6	5,035	5,205	5,375	5,545	5,715	5,885	6,055	6,225	6,395	6,565
GS-7	5,540	5,725	5,910	6,095	6,280	6,465	6,650	6,835	7,020	7,205
GS-8	6,090	6,295	6,500	6,705	6,910	7,115	7,320	7,525	7,730	7,935
GS-9	6,675	6,900	7,125	7,350	7,575	7,800	8,025	8,250	8,475	8,700
GS-10	7,290	7,535	7,780	8,025	8,270	8,515	8,760	9,005	9,250	9,495
GS-11	8,045	8,310	8,575	8,840	9,105	9,370	9,635	9,900	10,165	------
GS-12	9,475	9,790	10,105	10,420	10,735	11,050	11,365	11,680	11,995	------
GS-13	11,150	11,515	11,880	12,245	12,610	12,975	13,340	13,705	14,070	------
GS-14	12,845	13,270	13,695	14,120	14,545	14,970	15,395	15,820	16,245	------
GS-15	14,565	15,045	15,525	16,005	16,485	16,965	17,445	17,925	------	------
GS-16	16,000	16,500	17,000	17,500	18,000	------	------	------	------	------
GS-17	18,000	18,500	19,000	19,500	20,000	------	------	------	------	------
GS-18	20,000	------	------	------	------	------	------	------	------	------

"COMPENSATION SCHEDULE II

"(To be effective on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

"Grade	Per annum rates and steps									
	1	2	3	4	5	6	7	8	9	10
GS-1	$3,305	$3,410	$3,515	$3,620	$3,725	$3,830	$3,935	$4,040	$4,145	$4,250
GS-2	3,620	3,725	3,830	3,935	4,040	4,145	4,250	4,355	4,460	4,565
GS-3	3,880	3,985	4,090	4,195	4,300	4,405	4,525	4,650	4,775	4,900
GS-4	4,215	4,355	4,495	4,635	4,775	4,915	5,055	5,195	5,335	5,475
GS-5	4,690	4,850	5,010	5,170	5,330	5,490	5,650	5,810	5,970	6,130
GS-6	5,235	5,410	5,585	5,760	5,935	6,110	6,285	6,460	6,635	6,810
GS-7	5,795	5,990	6,185	6,380	6,575	6,770	6,965	7,160	7,355	7,550
GS-8	6,390	6,600	6,810	7,020	7,230	7,440	7,650	7,860	8,070	8,280
GS-9	7,030	7,260	7,490	7,720	7,950	8,180	8,410	8,640	8,870	9,100
GS-10	7,690	7,945	8,200	8,455	8,710	8,965	9,220	9,475	9,730	9,985
GS-11	8,410	8,690	8,970	9,250	9,530	9,810	10,090	10,370	10,650	------
GS-12	9,980	10,310	10,640	10,970	11,300	11,630	11,960	12,290	12,620	------
GS-13	11,725	12,110	12,495	12,880	13,265	13,650	14,035	14,420	14,805	------
GS-14	13,615	14,065	14,515	14,965	15,415	15,865	16,315	16,765	17,215	------
GS-15	15,665	16,180	16,695	17,210	17,725	18,240	18,755	19,270	------	------
GS-16	16,000	16,500	17,000	17,500	18,000	------	------	------	------	------
GS-17	18,000	18,500	19,000	19,500	20,000	------	------	------	------	------
GS-18	20,000	------	------	------	------	------	------	------	------	------".

(b) The rates of basic compensation of officers and employees to whom Compensation Schedule I of the General Schedule set forth in subsection (a) of this section applies shall, subject to the provisions of paragraph (10) of this subsection, be initially adjusted, effective on the first day of the first pay period beginning on or after the date of enactment of this Act, as follows:

(1) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the first, second, third, fourth, fifth, sixth, or seventh scheduled rate, or at the first or second longevity rate of a grade below grade 4 of the General Schedule of the Classification Act of 1949, as amended, he shall be advanced as follows: Employees in step 1 to step 2 of the new schedule; step 2 to step 3; step 3 to step 4; step 4 to step 5; step 5 to step 6; step 6 to step 7; step 7 to step 8; the first longevity step to step 9; and the second longevity step to step 10.

(2) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the third longevity rate of a grade below grade 4 of the General Schedule of the

Classification Act of 1949, as amended, he shall receive basic compensation at the highest rate of the appropriate grade plus an amount equal to the value of the maximum within grade increment provided for that grade in effect on and after such day.

(3) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the first, second, third, fourth, fifth, sixth, or seventh scheduled rate, or at the first, second, or third longevity rate, of grade 4, 5, 6, 7, 8, 9, or 10 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, fifth, sixth, seventh, eighth, ninth, or tenth rate of the appropriate grade in effect on and after such day.

(4) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the first, second, third, fourth, fifth, or sixth scheduled rate, or at the first, second, or third longevity rate of grade 11, 12, 13, or 14 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the cor-

responding first, second, third, fourth, fifth, sixth, seventh, eighth, or ninth rate of the appropriate grade in effect on and after such day.

(5) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the first, second, third, fourth, or fifth scheduled rate, or at the first, second, or third longevity rate of grade 15 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, fifth, sixth, seventh, or eighth rate of such grade in effect on and after such day.

(6) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period, which begins on or after the date of enactment of this Act at the first, second, third, fourth, or fifth rate of grade 16 or grade 17 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, or fifth grade of the appropriate grade in effect on and after such day.

(7) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment

of this Act at the rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding rate of such grade in effect on and after such day.

(8) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at a rate between two scheduled or two longevity rates, or between a scheduled and a longevity rate, of a grade of the General Schedule, he shall receive a rate of basic compensation at the higher of the two corresponding rates, as specified in paragraphs (1) through (6) of this subsection, in effect on and after such day.

(9) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at a rate in excess of the maximum longevity rate for his grade, or in excess of the maximum scheduled rate for his grade if there is no longevity rate for his grade, he shall receive (A) the rate of the new schedule, in effect on and after such day, prescribed by paragraphs (1) through (6) of this subsection for employees at the maximum longevity rate or at the maximum scheduled rate, as the case may be, for his grade, or (B)

if such rate is less than his existing rate, (i) the lowest rate of the new schedule for his grade which equals or exceeds his existing rate or (ii) if there is no such rate, his existing rate.

(10) Service of officers and employees performed immediately preceding the first day of the first pay period which begins on or after the date of enactment of this Act, in the grade of the General Schedule in which their respective positions were placed on such day, shall be counted toward not to exceed one step increase under the time in grade provisions of subsection (a) of section 701 of the Classification Act of 1949 as amended by this Act.

(11) If the officer or employee, immediately prior to the first day of the first pay period which began on or after the date of enactment of this Act, is receiving, pursuant to paragraph (4) of section 2(b) of the Federal Employees Salary Increase Act of 1955, an existing aggregate rate of compensation determined under section 208(b) of the Act of September 1, 1954 (68 Stat. 1111; Public Law 763, Eighty-third Congress), plus the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, by section 2 of the Federal Employees Salary Increase Act of 1958, and by section 112 of the Federal Employees Salary Increase Act of 1960, he shall receive an aggre-

gate rate of compensation equal to the sum of (A) his existing aggregate rate of compensation determined under such section 208(b) of the Act of September 1, 1954, (B) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, (C) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1958, (D) the amount of the increase provided by section 112 of the Federal Employees Salary Increase Act of 1960, and (E) the amount of the increase made by this section in the maximum rate of his grade, until (i) he leaves his position, or (ii) he is entitled to receive aggregate compensation at a higher rate by reason of the operation of this Act or any other provision of law; but, when such position becomes vacant, the aggregate rate of compensation of any subsequent appointee thereto shall be fixed in accordance with applicable provisions of law. Subject to clauses (i) and (ii) of the immediately preceding sentence of this paragraph, the amount of the increase provided by this section shall be held and considered for the purpose of section 208(b) of such Act of September 1, 1954, to constitute a part of the existing rate of compensation of such employee.

(c) The rates of basic compensation of officers and employees to whom Compensation Schedule II of the Gen-

eral Schedule set forth in subsection (a) of this section applies shall be initially adjusted, effective as of the first day of the first pay period beginning on or after January 1, 1964, as follows:

(1) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after January 1, 1964, at one of the rates of a grade in the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding rate in effect on and after such date.

(2) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after January 1, 1964, at a rate between two rates of a grade in the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the higher of the two corresponding rates in effect on and after such date.

(3) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after January 1, 1964, at a rate in excess of the maximum rate for his grade, as in effect on and after such date, he shall receive (A) the rate of the new schedule prescribed for employees

at the maximum rate for his grade, or (B) his existing rate of basic compensation if such existing rate is higher.

(4) If the officer or employee, immediately prior to the first day of the first pay period which begins on or after January 1, 1964, is receiving, pursuant to paragraph (4) of section 2(b) of the Federal Employees Salary Increase Act of 1955, an existing aggregate rate of compensation determined under section 208(b) of the Act of September 1, 1954 (68 Stat. 1111; Public Law 763, Eighty-third Congress), plus the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, by section 2 of the Federal Employees Salary Increase Act of 1958, and by section 112 of the Federal Employees Salary Increase Act of 1960, and the amount of the initial increase provided by this section, he shall receive an aggregate rate of compensation equal to the sum of (A) his existing aggregate rate of compensation determined under such section 208(b) of the Act of September 1, 1954, (B) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, (C) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1958, (D) the amount of the increase provided by section 112 of the Federal Employees Salary Increase Act of 1960,

and (E) the amount of the increase made by this section in the maximum rate of his grade, until (i) he leaves his position, or (ii) he is entitled to receive aggregate compensation at a higher rate by reason of the operation of this Act or any other provision of law; but, when such position becomes vacant, the aggregate rate of compensation of any subsequent appointee thereto shall be fixed in accordance with applicable provisions of law. Subject to clauses (i) and (ii) of the immediately preceding sentence of this paragraph, the amount of the increase provided by this section shall be held and considered for the purpose of section 208(b) of such Act of September 1, 1954, to constitute a part of the existing rate of compensation of such employee.

STEP-INCREASES

SEC. 603. Title VII of the Classification Act of 1949, as amended (5 U.S.C. 1121–1125), relating to step-increases under such Act, is amended to read as follows:

"TITLE VII—STEP-INCREASES

"SEC. 701. (a) Each officer or employee compensated on a per annum basis, and occupying a permanent position within the scope of the compensation schedules fixed by this Act, who has not attained the maximum rate of compensation for the grade in which his position is placed, shall be advanced in compensation successively to the next higher

rate within the grade at the beginning of the next pay period following the completion of (1) each fifty-two calendar weeks of service in salary rates 1, 2, and 3, or (2) each one hundred and four calendar weeks of service in salary rates 4, 5, and 6, or (3) each one hundred and fifty-six calendar weeks of service in salary rates 7, 8, and 9, subject to the following conditions:

"(A) That no equivalent increase in compensation from any cause was received during such period;

"(B) That his work is of an acceptable level of competence as determined by the head of the department; and

"(C) That the benefit of successive step-increases shall be preserved, under regulations issued by the Commission, for officers and employees whose continuous service is interrupted in the public interest by service with the Armed Forces or by service in essential non-Government civilian employment during a period of war or national emergency.

"(b) Any increase in compensation granted by law shall not be construed to be an equivalent increase in compensation within the meaning of subsection (a).

"SEC. 702. (a) Within the limit of available appropriations and in accordance with regulations prescribed by the Commission, the head of each department is authorized to

grant additional step-increases in recognition of high quality performance above that ordinarily found in the type of position concerned. Step-increases under this section shall be in addition to those under section 701 and shall not be construed to be an equivalent increase in compensation within the meaning of subsection (a) of section 701.

"(b) No officer or employee shall be eligible under this section for more than one such additional step-increase within any period of fifty-two weeks.

"SEC. 703. This title shall not apply to the compensation of persons appointed by the President, by and with the advice and consent of the Senate."

GENERAL COMPENSATION RULES

SEC. 604. (a) Section 802(b) of the Classification Act of 1949, as amended (5 U.S.C. 1132(b)), relating to the salary to be received by an officer or employee who is promoted or transferred to a higher grade, is amended to read as follows:

"(b) Any officer or employee who is promoted or transferred to a position in a higher grade shall receive basic compensation at the lowest rate of such higher grade which exceeds his existing rate of basic compensation by not less than two step-increases of the grade from which he is promoted or transferred. If, in the case of any officer or employee so promoted or transferred who is receiving basic

compensation at a rate in excess of the maximum rate for his grade under any provision of law, there is no rate in such higher grade which is at least two step-increases above his existing rate of basic compensation, he shall receive (1) the maximum rate of such higher grade, or (2) his existing rate of basic compensation, if such existing rate is the higher. In case any such officer or employee so promoted or transferred is receiving basic compensation at a rate saved to him under section 507 of this Act upon reduction in grade, such officer or employee shall receive (A) basic compensation at a rate two steps above the rate which he would be receiving if such section 507 were not applicable in his case, or (B) his existing rate of basic compensation, if such existing rate is the higher."

(b) Section 802 of such Act is amended by adding at the end thereof a new subsection to read as follows:

"(d) The Commission may issue regulations governing the retention of the rate of basic compensation of an employee who together with his position is brought under this Act. If any such employee so entitled to receive a retained rate under regulations issued pursuant to this subsection is later demoted to a position under this Act, his rate of basic compensation shall be determined in accordance with section 507 of this Act, except that service in the position which was

brought under the Act shall, for purposes of section 507, be considered as service under this Act.".

(c) Section 803 of the Classification Act of 1949, as amended (5 U.S.C. 1133), is amended to read as follows:

"SEC. 803. Each employee in a position under this Act, who regularly has responsibility for supervision (including supervision over the technical aspects of the work concerned) over employees whose compensation is fixed and adjusted from time to time by wage boards or similar administrative authorities as nearly as is consistent with the public interest in accordance with prevailing rates, may, in accordance with regulations issued by the Commission, be paid at one of the scheduled rates for his grade which is above the highest rate of basic compensation being paid to any such prevailing-rate employee regularly supervised, or at the maximum rate for his grade, as provided for in such regulations.".

SALARY RETENTION

SEC. 605. Section 507 of the Classification Act of 1949, as amended (72 Stat. 830; 5 U.S.C. 1107), is amended—

(1) by striking out "(other than grade 16, 17, or 18 of the General Schedule)" in paragraph (1) of subsection (a) of such section; and

(2) by striking out "(B) in the same grade or in the same and higher grades;" in paragraph (4) of subsection (a) of such section; and by inserting in

lieu thereof "(B) in any grade or grades higher than the grade to which demoted;".

TOP GRADE POSITIONS UNDER CLASSIFICATION ACT OF 1949

SEC. 606. (a) Section 505(b) of the Classification Act of 1949, as amended (5 U.S.C. 1105(b)), relating to the limitation on numbers of positions in grades 16, 17, and 18 of the General Schedule of such Act, is amended by striking out "not to exceed an aggregate of nineteen hundred and eighty-nine" and substituting in lieu thereof "not to exceed an aggregate of twenty-four hundred, in addition to any professional engineering positions primarily concerned with research and development and professional positions in the physical and natural sciences and medicine which may be placed in such grades".

(b) Section 505(j) of such Act is amended by inserting after the word "positions" the following: "(in addition to any professional engineering positions primarily concerned with research and development and professional positions in the physical and natural sciences and medicine which may be placed in such grades)".

(c) Section 505 of such Act is further amended by inserting after subsection (j) the following new subsections:

"(k) The Attorney General is authorized, without regard to any other provision of this section, to place a total

of ten positions of Warden in the Bureau of Prisons in grade 16 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grade by subsection (b).

"(l) The Attorney General is authorized, without regard to any other provision of this section, to place a total of eight positions of Member of the Board of Parole in grade 17 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grade by subsection (b)."

CONFORMING CHANGES IN EXISTING LAW

SEC. 607. (a) The following provisions of law are hereby repealed:

(1) Section 104 of the Department of Commerce and Related Agencies Appropriation Act, 1956 (69 Stat. 234; 5 U.S.C. 592(d)), authorizing grade 17 of the General Schedule of the Classification Act of 1949 for the position of Budget Officer of the Department of Commerce so long as the position is held by the present incumbent.

(2) Section 206 of the Public Works Appropriation Act, 1956 (69 Stat. 360; 5 U.S.C. 483–2), authorizing the Secretary of the Interior to place the position of Director, Division of Budget and Finance, in grade 17 of the General Schedule established by the Classification Act of 1949 so long as the position is held by the present incumbent.

(3) The second paragraph under the heading "Administrative Provisions" in title III of the Public Works Appropriation Act, 1956 (69 Stat. 364; 10 U.S.C. 1335, note), authorizing the Chief of Engineers to place the position of Chief of the Programs Branch, Office of the Assistant Chief of Engineers for Civil Works, in grade 17 of the General Schedule established by the Classification Act of 1949 so long as the position is held by the present incumbent.

(4) Section 24(d) of the Area Redevelopment Act (75 Stat. 62; 42 U.S.C. 2521(d)), authorizing five positions in grades 16, 17, and 18 of the General Schedule established by the Classification Act of 1949 for agencies performing functions under that Act.

(5) The fourth sentence of section 3(a) of the Fish and Wildlife Act of 1956 (70 Stat. 1120; 16 U.S.C. 742b(a)), relating to the annual salary of the Commissioner of Fish and Wildlife in the Department of the Interior, which reads: "He shall receive compensation at the same rate as that provided for grade GS–18.".

(6) That part of section 207 of the Agricultural Act of 1956 (70 Stat. 200; 7 U.S.C. 1857), relating to the annual salary of an agricultural surplus disposal administrator in the Department of Agriculture, which reads: ", at a salary rate of not exceeding $15,000 per annum,".

(7) Section 1102 of the Classification Act of 1949, as

amended (63 Stat. 971; 5 U.S.C. 1073), relating to the submission of reports with respect to the rates of compensation under, and the administration of, such Act.

(b) The second proviso of the paragraph under the heading "FEDERAL PRISON SYSTEM" and under the subheading "SALARIES AND EXPENSES, BUREAU OF PRISONS" in title II (the Department of Justice Appropriation Act, 1956) of the Departments of State and Justice, the Judiciary, and Related Agencies Appropriations Act, 1956 (69 Stat. 273; Public Law 133, Eighty-fourth Congress; 5 U.S.C. 298a) is amended by striking out "three positions" and inserting in lieu thereof "one position".

SEC. 608. (a) Each position specifically referred to in, or covered by, any repeal made by section 607(a) of this title shall be placed in the appropriate grade of the General Schedule of the Classification Act of 1949, as amended, in accordance with the provisions of such Act.

(b) Positions in grade 16, 17, or 18, as the case may be, of the General Schedule of the Classification Act of 1949, as amended, immediately prior to the effective date of

this section, shall remain, on and after such effective date, in their respective grades, until appropriate action is taken under section 505 of the Classification Act of 1949 as in effect on and after such effective date.

SAVINGS PROVISIONS

SEC. 609. (a) The changes in existing law made by this title shall not affect any position existing immediately prior to the effective date of any such changes in existing law, the compensation attached to such position, and any incumbent thereof, his appointment thereto, and his entitlement to receive the compensation attached thereto, until appropriate action is taken in accordance with this title.

(b) The incumbent of each such position immediately prior to the effective date of this title shall continue to receive the rate of basic compensation which he was receiving immediately prior to such effective date until he leaves such position or until he is entitled to receive compensation at a higher rate in accordance with law. When such incumbent leaves such position, the rate of basic compensation of each subsequent appointee to such position shall be deter-

mined in accordance with the Classification Act of 1949, as amended.

EFFECTIVE DATES

SEC. 610. Except as otherwise expressly provided in this title, the provisions of this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

TITLE III—POSTAL FIELD SERVICE EMPLOYEES

SHORT TITLE

SEC. 701. This title may be cited as the "Postal Employees Salary Adjustment Act of 1962".

POSTAL FIELD SERVICE SCHEDULES

SEC. 702. Subsection (a) of section 3542 of title 39, United States Code, is amended to read as follows:

"(a) There are established basic compensation schedules for positions in the postal field service which shall be known as the Postal Field Service Schedules and for which the symbol shall be 'PFS'. Each such schedule shall be in effect for the period specified with respect to such schedule. Except as provided in sections 3543 and 3544 of this title, basic compensation shall be paid to all employees in accordance with these schedules.

"POSTAL FIELD SERVICE SCHEDULE I

"(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act, and ending immediately prior to the applicable initial effective date of the second PFS schedule set forth below)

"PFS	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
1	$3,595	$3,725	$3,855	$3,985	$4,115	$4,245	$4,375	$4,505	$4,635	$4,765	$4,895	$5,025
2	3,905	4,040	4,175	4,310	4,445	4,580	4,715	4,850	4,985	5,120	5,255	5,390
3	4,230	4,375	4,520	4,665	4,810	4,955	5,100	5,245	5,390	5,535	5,680	5,825
4	4,565	4,725	4,885	5,045	6,205	5,365	5,525	5,685	5,845	6,005	6,165	6,325
5	4,965	5,130	5,295	5,460	5,625	5,790	5,955	6,120	6,285	6,450	6,615	6,780
6	5,365	5,545	5,725	5,905	6,085	6,265	6,445	6,625	6,805	6,985	7,165	7,345
7	5,805	6,000	6,195	6,390	6,585	6,780	6,975	7,170	7,365	7,560	-------	-------
8	6,285	6,495	6,705	6,915	7,125	7,335	7,545	7,755	7,965	8,175	-------	-------
9	6,805	7,030	7,255	7,480	7,705	7,930	8,155	8,380	8,605	8,830	-------	-------
10	7,395	7,640	7,885	8,130	8,375	8,620	8,865	9,110	9,355	9,600	-------	-------
11	8,045	8,310	8,575	8,840	9,105	9,370	9,635	9,900	10,165	-------	-------	-------
12	8,840	9,135	9,430	9,725	10,020	10,315	10,610	10,905	11,200	-------	-------	-------
13	9,725	10,050	10,375	10,700	11,025	11,350	11,675	12,000	12,325	-------	-------	-------
14	10,705	11,060	11,415	11,770	12,125	12,480	12,835	13,190	13,545	-------	-------	-------
15	11,780	12,170	12,560	12,950	13,340	13,730	14,120	14,510	14,900	-------	-------	-------
16	12,955	13,385	13,815	14,245	14,675	15,105	15,535	15,965	-------	-------	-------	-------
17	14,260	14,730	15,200	15,670	16,140	16,610	17,080	17,550	-------	-------	-------	-------
18	15,500	16,000	16,500	17,000	17,500	18,000	18,500	-------	-------	-------	-------	-------
19	16,750	17,250	17,750	18,250	18,750	19,250	-------	-------	-------	-------	-------	-------
20	18,000	18,500	19,000	19,500	-------	-------	-------	-------	-------	-------	-------	-------

"POSTAL FIELD SERVICE SCHEDULE II

"(To be effective on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

"PFS	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
1	$3,690	$3,820	$3,950	$4,080	$4,210	$4,340	$4,470	$4,600	$4,730	$4,860	$4,990	$5,120
2	4,010	4,145	4,280	4,415	4,550	4,685	4,820	4,955	5,090	5,225	5,360	5,495
3	4,345	4,490	4,635	4,780	4,925	5,070	5,215	5,360	5,505	5,650	5,795	5,940
4	4,690	4,850	5,010	5,170	5,330	5,490	5,650	5,810	5,970	6,130	6,290	6,450
5	5,085	5,255	5,425	5,595	5,765	5,935	6,105	6,275	6,445	6,615	6,785	6,955
6	5,500	5,685	5,870	6,055	6,240	6,425	6,610	6,795	6,980	7,165	7,350	7,535
7	5,950	6,150	6,350	6,550	6,750	6,950	7,150	7,350	7,550	7,750	-------	-------
8	6,440	6,655	6,870	7,085	7,300	7,515	7,730	7,945	8,160	8,375	-------	-------
9	6,965	7,200	7,435	7,670	7,905	8,140	8,375	8,610	8,845	9,080	-------	-------
10	7,650	7,900	8,150	8,400	8,650	8,900	9,150	9,400	9,650	9,900	-------	-------
11	8,410	8,690	8,970	9,250	9,530	9,810	10,090	10,370	10,650	-------	-------	-------
12	9,270	9,575	9,880	10,185	10,490	10,795	11,100	11,405	11,710	-------	-------	-------
13	10,210	10,545	10,880	11,215	11,550	11,885	12,220	12,555	12,890	-------	-------	-------
14	11,240	11,610	11,980	12,350	12,720	13,090	13,460	13,830	14,200	-------	-------	-------
15	12,370	12,780	13,190	13,600	14,010	14,420	14,830	15,240	15,650	-------	-------	-------
16	13,625	14,075	14,525	14,975	15,425	15,875	16,325	16,775	-------	-------	-------	-------
17	15,000	15,495	15,990	16,485	16,980	17,475	17,970	18,465	-------	-------	-------	-------
18	15,500	16,000	16,500	17,500	17,400	18,000	18,500	-------	-------	-------	-------	-------
19	16,750	17,250	17,750	18,250	18,750	19,250	-------	-------	-------	-------	-------	-------
20	18,000	18,500	19,000	19,500	-------	-------	-------	-------	-------	-------	-------	-------

"

RURAL CARRIER SCHEDULES

SEC. 703. (a) Section 3543(a) of title 39, United States Code, is amended to read as follows:

"(a) There are established basic compensation schedules which shall be known as the Rural Carrier Schedules, and for which the symbol shall be 'RCS'. Each such schedule shall be in effect for the period specified with respect to such schedule.

"RURAL CARRIER SCHEDULE I

"(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act, and ending immediately prior to the applicable initial effective date of the second RCS Schedule set forth below)

	"Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
Carriers in rural delivery service:												
Fixed compensation per annum	$2,027	$2,127	$2,227	$2,327	$2,427	$2,527	$2,627	$2,727	$2,827	$2,927	$3,027	$3,127
Compensation per mile per annum for each mile up to 30 miles of route	75	77	79	81	83	85	87	89	91	93	95	97
For each mile of route over 30 miles	24	24	24	24	24	24	24	24	24	24	24	24

"RURAL CARRIER SCHEDULE II

"(To be effective for the period beginning on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

	"Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
Carriers in rural delivery service:												
Fixed compensation per annum	$2,080	$2,180	$2,280	$2,380	$2,480	$2,580	$2,680	$2,780	$2,880	$2,980	$3,080	$3,180
Compensation per mile per annum for each mile up to 30 miles of route	77	79	81	83	85	87	89	91	93	95	97	99
For each mile of route over 30 miles	25	25	25	25	25	25	25	25	25	25	25	25"

(b) Section 3543(c) of title 39, United States Code, is amended to read as follows:

"(c) The Postmaster General may pay such additional compensation as he may determine to be fair and reasonable in each individual case to rural carriers serving heavily patronized routes."

(b) The first sentence of section 3543(f) of title 39

United States Code, is amended to read as follows: "In addition to the compensation provided in the Rural Carrier Schedule, each rural carrier shall be paid for equipment maintenance a sum equal to—

"(1) 12 cents per mile for each mile or major fraction of a mile scheduled, or

"(2) $4.20 per day, whichever is greater."

(c) Section 3543 of title 39, United States Code, is amended by adding thereto new subsections (i) and (j) as follows:

"(i) Each person serving as a substitute of record on the effective date of this subsection shall be placed in step 2 of the Rural Carrier Schedule and he shall be advanced by step-increases, on the basis of time on the rolls prior to the effective date, in accordance with the schedule of step-increases provided in section 3552, except that no such person shall be so advanced to a step higher than the step to which a regular carrier with the same length of service would have advanced prior to such effective date. Thereafter, he shall be advanced

by step-increases, pursuant to the provisions of sections 3552 and 3553 of this title. On and after the effective date of this subsection, each substitute rural carrier shall be paid the daily rate, based on the step attained by him, for the route on which service is performed.

"(j) Each temporary rural carrier who, on the effective date of this subsection, is serving on a vacant route pending the appointment of a regular rural carrier shall be placed in step 2 and shall be advanced by step-increases on the basis of any prior substitute or temporary rural carrier service in accordance with the schedule of step-increases provided in section 3552."

FOURTH CLASS OFFICE SCHEDULES

SEC. 704. (a) Section 3544(a) of title 39, United States, Code, is amended to read as follows:

"(a) There are established basic compensation schedules which shall be known as the Fourth Class Office Schedules, and for which the symbol shall be 'FOS', for postmasters in post offices of the fourth class. Each such schedule shall be in effect for the period specified with respect to such schedule. Each such schedule is based upon the gross postal receipts as contained in returns of the post office for the calendar year immediately preceding. Basic compensation shall be paid to postmasters in post offices of the fourth class in accordance with these schedules.

"FOURTH CLASS OFFICE SCHEDULE I

"(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactmen of this Act and en ing immediately prior to the applicable initial effective date of the second FOS schedule set forth below)

"Gross receipts	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
$1,300 to $1,499.99	$3,277	$3,386	$3,495	$3,604	$3,713	$3,822	$3,931	$4,040	$4,149	$4,258	$4,367	$4,476
$900 to $1,299.99	3,003	3,102	3,201	3,300	3,399	3,498	3,597	3,696	3,795	3,894	3,993	4,092
$600 to $899.99	2,457	2,540	2,623	2,706	2,789	2,872	2,955	3,038	3,121	3,204	3,287	3,370
$350 to $599.99	1,911	1,973	2,035	2,097	2,159	2,221	2,283	2,345	2,407	2,469	2,531	2,593
$250 to $349.99	1,366	1,410	1,454	1,498	1,542	1,586	1,630	1,674	1,718	1,762	1,806	1,850
$200 to $249.99	1,092	1,128	1,164	1,200	1,236	1,272	1,308	1,344	1,380	1,416	1,452	1,488
$100 to $199.99	820	846	872	898	924	950	976	1,002	1,028	1,054	1,080	1,106
Under $100	545	562	579	596	613	630	647	664	681	698	715	732

"FOURTH CLASS SCHEDULE II

"(To be effective on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

"Gross receipts	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
$1,300 to $1,499.99	$3,426	$3,540	$3,654	$3,768	$3,882	$3,996	$4,110	$4,224	$4,338	$4,452	$4,566	$4,680
$900 to $1,299.99	3,140	3,243	3,346	3,449	3,552	3,655	3,758	3,861	3,964	4,067	4,170	4,273
$600 to $899.99	2,569	2,655	2,741	2,827	2,913	2,999	3,085	3,171	3,257	3,343	3,429	3,515
$350 to $599.99	1,998	2,063	2,128	2,193	2,258	2,323	2,388	2,453	2,518	2,583	2,648	2,713
$250 to $349.99	1,428	1,474	1,520	1,566	1,612	1,658	1,704	1,750	1,796	1,842	1,888	1,934
$200 to $249.99	1,142	1,179	1,216	1,253	1,290	1,327	1,364	1,401	1,438	1,475	1,512	1,549
$100 to $199.99	857	884	911	938	965	992	1,019	1,046	1,073	1,111	1,127	1,154
Under $100	569	588	607	626	645	664	683	702	721	740	759	778".

(b) Section 3544(b) of title 39, United States Code, is amended to read as follows:

"(b) The basic salary of postmasters in fourth-class post offices shall be readjusted for changes in gross receipts at the start of the first pay period after the beginning of each fiscal year. When a post office is restored to a gross receipts category held by it prior to relegation to a lower gross receipts category, the postmaster's basic salary shall be adjusted to the highest salary step held by him when the post office was in the higher gross receipts category. In all other cases, in adjusting a postmaster's basic salary under this section, the basic salary shall be fixed at the lowest step which is higher than the basic salary received by the postmaster at the end of the preceding fiscal year. If there is no such step the basic

salary shall be fixed at the highest step for the adjusted gross receipts of the office. Each increase in basic salary because of change in gross receipts shall be deemed the equivalent of a step-increase under section 3552 of this title and the waiting period, for purposes of advancement to the next step, shall begin on the date of adjustment."

SEC. 705. Section 3552 of title 39, United States Code, is amended to read as follows:

"§ 3552. Automatic advancement by step increases

"(a)(1) Each employee in levels 1 through 6 of the Postal Field Service Schedule, each employee subject to the Rural Carrier Schedule, and each employee subject to the Fourth Class Office Schedule, who has not reached the highest step for his position, shall be advanced successively to the next higher step as follows:

"(A) To steps 2, 3, 4, 5, 6, and 7—at the beginning of the first pay period following the completion of fifty-two calendar weeks of satisfactory service; and,

"(B) To steps 8 and above—at the beginning of the first pay period following the completion of one hundred and fifty-six calendar weeks of satisfactory service.

"(2) Each employee in the postal field service in level 7 or above of the Postal Field Service Schedule, who has not

reached the highest step for his position, shall be advanced successively to the next higher step, as follows:

"(A) To steps 2, 3, and 4—at the beginning of the first pay period following the completion of fifty-two calendar weeks of satisfactory service;

"(B) To steps 5, 6, and 7—at the beginning of the first pay period following the completion of one hundred and four calendar weeks of satisfactory service; and,

"(C) To steps 8 and above—at the beginning of the first pay period following the completion of one hundred and fifty-six calendar weeks of satisfactory service.

"(3) The receipt of an equivalent increase during any of the waiting periods specified in this subsection shall cause a new full waiting period to commence for further step-increases.

"(b) Any increase in basic compensation granted by law on or after the date of enactment of the Postal Employees Salary Adjustment Act of 1962, to employees in the postal field service shall not be deemed to be an equivalent increase in basic compensation within the meaning of subsection (a) of this section.

"(c) The benefit of successive step-increases shall be preserved, under regulations prescribed by the Postmaster

General, for employees whose continuous service is interrupted by service in the armed services."

SEC. 706. Section 3554 of title 39, United States Code, is amended to read as follows:

"§ 3554. Compensation of certain temporary employees

"Temporary employees hired for a continuous period of one year or less for a position in the postal field service shall be paid basic compensation at the entrance step of the position to which they are appointed.".

SEC. 707. Section 3559 of title 39, United States Code, is amended to read as follows:

"§ 3559. Promotions

"An employee who is promoted to a position in the Postal Field Service Schedule which is not more than two salary levels above the salary level of the position from which promoted shall be paid basic compensation at the lowest step of the higher salary level which exceeds his existing basic compensation by not less than two steps of the salary level from which promoted. An employee who is promoted to a position in the Postal Field Service Schedule which is more than two salary levels above the level of the position from which promoted shall be paid basic compensation at the lowest step of the higher salary level which exceeds his existing basic compensation by not less than three steps of the salary level from which promoted. If there is no step in the salary level

to which the employee is promoted which exceeds his existing basic compensation by at least the amount of the specified difference, the employee shall be paid the rate for the maximum step of the salary level to which promoted, or his existing basic compensation, whichever is higher.".

SEC. 708. Subsection (a)(4) of section 6402 of title 39, United States Code, is amended to read as follows:

"(4) delivery and collection service may not be established or extended under a star route contract on a rural route except when such rural route does not meet the minimum standards established by the Postmaster General, and becomes vacant; and".

SEC. 709. Section 3101 of title 39, United States Code, is amended by deleting paragraphs (5) and (6), and inserting in lieu thereof, the following:

"(5) 'basic salary' and 'basic compensation' mean the rate of annual or hourly compensation specified by law, exclusive of overtime and night differential.".

SEC. 710. Subsection 3541(d) of title 39, United States Code, is amended by (a) inserting in paragraph (3) thereof, after "rural carriers," the phrase "(other than substitute rural carriers,)" and (b) adding a new paragraph (5) as follows:

"(5) To compute the daily rate of basic compen-

sation for substitute rural carriers, the annual rate of compensation shall be divided by 304.".

CONVERSION AS OF THE FIRST PAY PERIOD BEGINNING ON OR AFTER THE DATE OF ENACTMENT OF THIS ACT

SEC. 711. (a) The basic compensation of each employee subject to Postal Field Service Schedule I or Rural Carrier Schedule I, as the case may be, on the effective date of such schedule shall be determined as follows:

(1) Each employee shall be assigned to the same numerical level and step he was in prior to the effective date of such schedule, except that employees in the first four levels of the Postal Field Service Schedule and employees (except employees subject to section 3543(j) of title 39, United States Code) in the Rural Carrier Schedule shall be advanced as follows: Employees in step 1 to step 2 of the new schedule; step 2 to step 3; step 3 to step 4; step 4 to step 5; step 5 to step 6; step 6 to step 7; step 7 to step 8. If changes in level or step would otherwise occur on the effective date of such schedule without regard to the enactment of such schedule, such changes shall be deemed to have occurred prior to conversion under this paragraph.

(2) In addition to conversion under paragraph (1) of this subsection, each employee shall be advanced one

additional step for each longevity step which he had earned on or prior to such conversion.

(3) Credit toward the next step-increase (other than toward longevity steps) earned by an employee who had not reached step 7 or who is not advanced to step 7 under paragraph (1) prior to the effective date of such schedule shall be creditable under subsection 3552(a) and section 3553 of title 39, United States Code, toward further step-increases if no step-increases were granted pursuant to paragraph (2) of this subsection. Credit earned toward longevity step-increases prior to the effective date of such schedule shall not be creditable toward further step-increases pursuant to subsection 3552(a), and section 3553 of title 39, United States Code.

(b) The basic compensation of each postmaster subject to the Fourth Class Office Schedule I on the effective date of such schedule shall be determined as follows:

(1) Each postmaster shall be assigned to the same receipts category and numerical step he was in prior to the effective date of such schedule. If changes in receipts category or step would otherwise occur on the effective date of such schedule without regard to the enactment of such schedule, such changes in receipts category or step shall be deemed to have occurred prior to conversion.

(2) Postmasters who, as of the effective date of this schedule, have not reached step 7, shall retain credit for advancement to the next step under section 3552(a) and section 3553 of title 39, United States Code, if no step-increases are granted pursuant to paragraph 3 of this subsection. Credit earned toward longevity step-increases prior to the effective date of such schedule shall not be creditable toward further step-increases under section 3552(a) and section 3553 of title 39, United States Code.

(3) For each longevity step earned on or prior to the effective date of such schedule postmasters shall be advanced one step.

(c) If the existing basic compensation of any employee subject to the Postal Field Service Schedule, Rural Carrier Schedule, or Fourth Class Office Schedule, as the case may be, is greater than the rate established by subsection (a) or (b) of this section, he shall be placed in the first step of such schedule which exceeds his existing basic compensation; if the existing basic compensation is greater than any numerical step, his existing basic compensation shall be established as his basic compensation.

CONVERSION AS OF THE FIRST PAY PERIOD BEGINNING ON OR AFTER JANUARY 1, 1964

SEC. 712. The basic compensation of each employee subject to the Postal Field Service Schedule II, Rural Carrier Schedule II, or Fourth Class Office Schedule II, as the case may be, on the effective date of such schedule shall be determined as follows:

(1) Each employee shall be assigned to the same numerical step for his position which he had attained prior to the effective date of such schedule. If changes in levels, receipts categories, or steps would otherwise occur on the effective date of such schedule without regard to enactment of such schedule, such changes shall be deemed to have occurred prior to conversion.

(2) If existing basic compensation is greater than the rate to which the employee is converted under paragraph (1) of this section, the employee shall be placed in the lowest step which exceeds his basic compensation; if the existing basic compensation exceeds the maximum step of his position, his existing basic compensation shall be established as his basic compensation.

SEC. 713. Subject to sections 711(c) and 712(2) of this title, rates of compensation fixed by reason of section 3560 of title 39, United States Code, shall not be increased by this title, notwithstanding any provision of such section to the contrary.

BASIC SALARY IN CASES OF ASSIGNMENTS OF POSTAL EMPLOYEES

SEC. 714. (a) Section 3335(b) of title 39, United States Code, is amended by adding at the end thereof the following sentence: "The Postmaster General may pay, as he deems advisable, in cases of such assignments, a basic salary computed in accordance with the provisions of such section 3559 without regard to the requirement in this subsection of assignment for more than thirty days in a calendar year.".

(b) Each payment of an increase in basic salary which was made prior to the date of enactment of this section for services performed for periods of thirty days or less in any calendar year in the course of an assignment referred to in section 3335(b) of title 39, United States Code, by a postal field service employee assigned to duties and responsibilities of a higher salary level, and which would have been authorized by such section 3335(b), if such services had been performed in the course of such assignment after the completion by such employee of thirty days of service in any calendar year in such higher salary level, are hereby validated

to the same extent as if such services had been performed after the completion of thirty days of service in any calendar year in the course of such assignment. Payments of increases validated by this subsection shall be considered as basic salary for the purposes of the Civil Service Retirement Act (5 U.S.C. 2251–2267).

SALARY PROTECTION REVISION

SEC. 715. (a) Section 3560(a)(1) of title 39, United States Code, is amended to read as follows:

"(1) basic salary and salary level, with respect to the Postal Field Service Schedule,".

(b) Section 3560(b)(4) of title 39, United States Code, is amended to read as follows:

"(4) who, for two continuous years immediately prior to such reduction in salary standing, served in the postal field service with any salary standing higher than the salary standing to which he is reduced; and".

(c) Section 3560(c) of title 39, United States Code, is amended—

(1) by striking out the period at the end of paragraph (B) and inserting "; or" in lieu of such period, and

(2) by adding at the end of such section 3560(c) the following paragraph:

"(C) the amount of the rate in the lowest salary

standing which such employee held during the two years immediately preceding such reduction in salary standing augmented by each step increase which he would have earned in such salary standing and by each increase provided by law in such salary rate.".

(d)(1) Subject to paragraph (2) of this section, the amendments made by this section to sections 3560(a)(1), 3560(b)(4), and 3560(c) of title 39, United States Code, shall apply only with respect to reductions in salary standing occurring on or after the date of enactment of this Act.

(2) Payments not authorized by section 3560 of title 39, United States Code, which were made prior to the date of enactment of this Act to employees in the postal field service in connection with reductions in salary standing and which would have been authorized under such section 3560 if the amendments made by this section to subsections (b)(4) and (c) of such section 3560 had been in effect at the time such payments were made, are hereby validated to the same extent as if such amendments had been in effect at such time.

RULES FOR SPECIAL COMPENSATION

SEC. 716. Chapter 41 of title 39, United States Code, is amended by adding immediately following section 3105 a new section 3106 as follows:

"§ 3106. Special compensation rules

"In order that the basic compensation schedules in sec-

tions 3542, 3543, and 3544 of this title may be used equitably and with maximum effect to attract and motivate employees, the Postmaster General may prescribe regulations pursuant to which he may, within the limit of available appropriations, grant to any officer or employee before the expiration of the periods prescribed by section 3552, step-increases in recognition of extra competence: Provided, That no officer or employee shall be eligible under this section for more than one such additional step-increase within any period of fifty-two weeks, and such increase shall not be considered to be an equivalent increase."

PERSONNEL REQUIREMENTS

SEC. 717. (a) Section 3301 of title 39, United States Code, is amended to read as follows:

"§ 3301. Personnel requirements

"The Postmaster General shall determine the personnel requirements of the postal field service, and fix the number of supervisors and other employees in that service, except that there may not be at any one time more than one assistant postmaster employed at any post office or a total of 70 employees assigned to salary levels 18, 19, and 20 in the postal field service."

(b) Section 1310(a) of the Act of November 1, 1951 (65 Stat. 757), as amended, which fixes a ceiling on permanent employees in the Federal Government, is amended by

inserting after the word "Provided," the following: "That increases in the number of permanent personnel in the Postal Field Service not exceeding 10 per centum above the total number of its permanent employees on September 1, 1950 shall not be chargeable to this limitation: And provided further,".

CONFORMING AMENDMENT

SEC. 718. (a) The table of contents of chapter 41 of title 39, United States Code, is amended by adding after the heading entitled "EMPLOYEES GENERALLY", the following:

"3106. Special compensation rules".

(b) The table of contents of chapter 45 of title 39, United States Code, is amended by deleting "3558. Longevity step-increases".

REPEALS

SEC. 719. Sections 101 through 105 of the Act of July 1, 1960 (74 Stat. 296, Public Law 86–568), and section 3558 of title 39, United States Code, are repealed.

EFFECTIVE DATES

SEC. 720. Except as otherwise expressly provided in this title, the provisions of this title shall become effective on the

first day of the first pay period which begins on or after the date of enactment of this Act, except that section 712 (conversion rules for second postal field service salary increases) shall become effective on the first day of the first pay period which begins on or after January 1, 1964.

TITLE IV—DEPARTMENT OF MEDICINE AND SURGERY IN THE VETERANS' ADMINISTRATION

SEC. 801. (a) Section 4103 of title 38 of the United States Code, relating to the appointment and annual salaries of the Chief Medical Director and certain other officers of the Department of Medicine and Surgery of the Veterans' Administration, is amended by striking out the words "not to exceed eight Assistant Chief Medical Directors" in subsection (a) and inserting in lieu thereof the words "not to exceed five Assistant Chief Medical Directors, such Medical Directors as may be designated to suit the needs of the Department,".

(b) Such section is further amended by striking out subsections (d) to (i), inclusive, and inserting in lieu thereof the following:

"(d) Each Assistant Chief Medical Director shall be

appointed by the Administrator upon the recommendation of the Chief Medical Director and shall be paid a salary of $20,000 a year.

"One Assistant Chief Medical Director shall be a qualified doctor of dental surgery or dental medicine who shall be directly responsible to the Chief Medical Director for the operations of the Dental Service.

"(e) Medical Directors, during their period of service as such, shall be paid a salary of $18,500 minimum to $19,500 maximum a year.

"(f) The Director of Nursing Service shall be a qualified registered nurse, appointed by the Administrator, and shall be responsible to the Chief Medical Director for the operation of the Nursing Service. During the period of service as such, the Director of Nursing Service shall be paid, effective on the first day of the first pay period beginning on or after—

"the date of enactment of the Federal Salary Reform Act of 1962, a salary of $14,565 minimum to $17,925 maximum a year;

"January 1, 1964, a salary of $15,665 minimum to $19,270 maximum a year.

"(g) The Administrator may appoint a chief pharmacist and a chief dietitian. During the period of his serv-

ice as such, the chief pharmacist and the chief dietitian shall be paid, effective on the first day of the first pay period beginning on or after—

"the date of enactment of the Federal Salary Reform Act of 1962, a salary of $14,565 minimum to $17,925 maximum a year;

"January 1, 1964, a salary of $15,665 minimum to $19,270 maximum a year.

"(h) Except as provided in subsection (j), any appointment under this section shall be for a period of four years but persons so appointed shall be subject to removal by the Administrator for cause.

"(i) Reappointments may be made for successive like periods.

"(j) The Administrator may designate a member of the Chaplain Service of the Veterans' Administration as Director, Chaplain Service, for a period of two years, subject to removal by the Administrator for cause. During the period that any such member serves as Director, Chaplain Service, he shall be paid a salary, as determined by the Administrator, within the minimum and maximum salary limitations prescribed for grade GS–15 positions by the Classification Act of 1949, as amended. Redesignations under this subsection may be made for successive like periods. An individual designated as Director, Chaplain Serv-

ice, shall at the end of his period of service as Director revert to the position, grade, and status which he held immediately prior to being designated Director, Chaplain Service, and all service as Director, Chaplain Service, shall be creditable as service in the former position."

PHYSICIANS, DENTISTS, AND NURSES

SEC. 802. Section 4107 of such title 38 relating to the minimum and maximum rates of annual salary of certain physicians, dentists, and nurses of the Department of Medicine and Surgery of the Veterans' Administration is amended to read as follows:

"§ 4107. Grades and pay scales

"(a)(1) Effective on the first day of the first pay period beginning on or after the date of enactment of the Federal Salary Reform Act of 1962, the grades and per annum full-pay ranges for positions provided in paragraph (1) of section 4104 of this title shall be as follows:

"PHYSICIAN AND DENTIST SCHEDULE

"Director grade, $16,000 minimum to $19,000 maximum.

"Executive grade, $15,250 minimum to $18,750 maximum.

"Chief grade, $14,565 minimum to $18,405 maximum.

"Senior grade, $12,845 minimum to $16,245 maximum.

"Intermediate grade, $11,150 minimum to $14,070 maximum.

"Full grade, $9,475 minimum to $11,995 maximum.

"Associate grade, $8,045 minimum to $10,165 maximum.

"NURSE SCHEDULE

"Assistant Director grade, $12,845 minimum to $16,245 maximum.

"Chief grade, $11,150 minimum to $14,070 maximum.

"Senior grade, $9,475 minimum to $11,995 maximum.

"Intermediate grade, $8,045 minimum to $10,165 maximum.

"Full grade, $6,675 minimum to $8,700 maximum.

"Associate grade, $5,820 minimum to $7,575 maximum.

"Junior grade, $5,035 minimum to $6,565 maximum.

"(2) Effective on the first day of the first pay period beginning on or after January 1, 1964, the per annum full pay ranges for positions provided in paragraph (1) of section 4104 of this title shall be as follows:

"PHYSICIAN AND DENTIST SCHEDULE

"Chief grade, $15,665 minimum to $19,785 maximum.

"Senior grade, $13,615 minimum to $17,215 maximum.

"Intermediate grade, $11,725 minimum to $14,805 maximum.

"Full grade, $9,980 minimum to $12,620 maximum.

"Associate grade, $8,410 minimum to $10,650 maximum.

"NURSE SCHEDULE

"Assistant director grade, $13,615 minimum to $17,215 maximum.

"Chief grade, $11,725 minimum to $14,805 maximum.

"Senior grade, $9,980 minimum to $12,620 maximum.

"Intermediate grade, $8,410 minimum to $10,650 maximum.

"Full grade, $7,030 minimum to $9,100 maximum.

"Associate grade, $6,090 minimum to $7,890 maximum.

"Junior grade, $5,235 minimum to $6,810 maximum.

"(b) No person may hold the director grade unless he is serving as a director of a hospital, domiciliary, center, or outpatient clinic (independent). No person may hold the executive grade unless he holds the position of chief of staff at a hospital, center, or outpatient clinic (independent), or the position of clinic director at an outpatient clinic, or comparable position."

SEC. 803. (a) Section 4108 of such title 38 which formerly prescribed the maximum amount of pay and allowances for medical, surgical, or dental specialists of the Department of Medicine and Surgery of the Veterans' Adminis-

tration is amended, effective on the date of enactment of this Act, to read as follows:

"§ *4108. Administration*

"Notwithstanding any law, Executive order, or regulation, the Administrator shall prescribe by regulation the hours and conditions of employment and leaves of absence of physicians, dentists, and nurses.".

(b) The table of contents of chapter 73 of such title 38 is amended by striking out

"4108. Specialist ratings."

and inserting in lieu thereof

"4108. Administration."

DIRECTORS OF HOSPITALS, DOMICILIARIES, AND CENTERS

SEC. *804. Section 4111(b) of such title 38, relating to the annual salary of certain individuals serving as director of a hospital, domiciliary, or center, is amended, effective on the date of enactment of this Act, to read as follows:*

"(b) Notwithstanding any other provision of law, the per annum salary rate of each individual serving as a director of a hospital, domiciliary, or center who is not a physician in the medical service shall not be less than the rate of salary which he would receive under section 4107 of this title if his service as a director of a hospital, domiciliary, or center had been service as a physician in the director

grade. This subsection shall not affect the allocation of any position of director of a hospital, domiciliary, or center to any grade of the General Schedule of the Classification Act of 1949, except with respect to changes in rate of salary pursuant to the preceding sentence, and shall not affect the applicability of the Performance Rating Act of 1950 to any individual."

SEC. 805. Except as otherwise expressly provided in this title, this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

TITLE V—FOREIGN SERVICE ACT OF 1946

SHORT TITLE

SEC. 901. This title may be cited as the "Foreign Service Salary Reform Act of 1962".

FOREIGN SERVICE OFFICERS

SEC. 902. The fourth sentence of section 412 of the Foreign Service Act of 1946, as amended (22 U.S.C. 867), is amended to read as follows:

"On the first day of the first pay period which begins on or after the date of enactment of the Foreign Service Salary

Reform Act of 1962, the per annum salaries of Foreign Service officers within each of the other classes shall be as follows:

"Class 1	$18,975	$19,650					
Class 2	15,900	16,400	$16,900	$17,400	$17,900	$18,400	$18,900
Class 3	13,440	13,885	14,330	14,775	15,220	15,665	16,110
Class 4	11,150	11,515	11,880	12,245	12,610	12,975	13,340
Class 5	9,215	9,620	9,925	10,230	10,535	10,840	11,145
Class 6	7,705	7,960	8,215	8,470	8,725	8,980	9,235
Class 7	6,475	6,690	6,905	7,120	7,335	7,550	7,765
Class 8	5,540	5,725	5,910	6,095	6,280	6,465	6,650

"*On the first day of the first pay period which begins on or after January 1, 1964, the per annum salaries of Foreign Service officers within each of the other classes shall be as follows:*

"Class 1	$18,975	$19,650					
Class 2	15,900	16,400	$11,900	$17,400	$17,900	$18,400	18,900
Class 3	14,265	14,735	15,205	15,675	16,145	16,615	17,085
Class 4	11,725	12,110	12,495	12,880	13,265	13,650	14,035
Class 5	9,695	10,015	10,335	10,655	10,975	11,295	11,615
Class 6	8,090	8,355	8,620	8,885	9,150	9,415	9,680
Class 7	6,810	7,035	7,260	7,485	7,710	7,935	8,160
Class 8	5,795	5,990	6,185	6,380	6,575	6,770	6,965"

FOREIGN SERVICE STAFF OFFICERS AND EMPLOYEES

SEC. 903. Section 415 of such Act is amended to read as follows:

"*SEC. 415. (a) Effective on the first day of the first pay period which begins on or after the date of enactment of the Foreign Service Salary Reform Act of 1962, there shall be ten classes of Foreign Service staff officers and employees,*

referred to hereafter as staff officers and employees, and the per annum salaries of staff officers and employees within each class shall be as follows:

"Class 1	$13,440	$13,885	$14,330	$14,775	$15,220	$15,665	$16,110	$16,555	$17,000	
Class 2	11,150	11,515	11,880	12,245	12,610	12,795	13,340	13,705	14,070	
Class 3	9,315	9,620	9,925	10,230	10,535	10,840	11,145	11,450	11,755	
Class 4	7,705	7,960	8,215	8,470	8,725	8,980	9,235	9,490	9,745	
Class 5	6,910	7,140	7,370	7,600	7,830	8,060	8,290	8,520	8,750	$8,980
Class 6	6,225	6,435	6,645	6,855	7,065	7,275	7,485	7,695	7,905	8,115
Class 7	5,610	5,800	5,990	6,180	6,370	6,560	6,750	6,940	7,130	7,320
Class 8	5,060	5,230	5,400	5,570	5,790	5,910	6,080	6,250	6,420	6,590
Class 9	4,575	4,725	4,875	5,025	5,175	5,325	5,475	5,625	5,775	5,930
Class 10	4,110	4,250	4,390	4,530	4,670	4,825	4,980	5,135	5,290	5,445

"On the first day of the first pay period which begins on or after January 1, 1964, the per annum salaries of staff officers and employees within each class shall be as follows:

"Class 1	$14,265	$14,735	$15,205	$15,675	$16,145	$16,615	$17,085	$17,555	$18,025	
Class 2	11,725	12,110	12,495	12,880	13,265	13,650	14,035	14,420	14,805	
Class 3	9,695	10,015	10,335	10,655	10,975	11,295	11,615	11,935	12,255	
Class 4	8,090	8,355	8,620	8,885	9,150	9,415	9,680	9,945	10,210	
Class 5	7,295	7,535	7,775	8,015	8,255	8,495	8,735	8,975	9,215	$9,455
Class 6	6,570	6,785	7,000	7,215	7,430	7,645	7,860	8,075	8,290	8,505
Class 7	5,890	6,085	6,280	6,475	6,670	6,865	7,060	7,255	7,450	7,645
Class 8	5,270	5,445	5,620	5,795	5,970	6,145	6,320	6,495	6,670	6,845
Class 9	4,715	4,870	5,025	5,180	5,335	5,490	5,645	5,800	5,955	6,110
Class 10	4,215	4,355	4,495	4,635	4,775	4,915	5,060	5,215	5,370	5,525

"(b) Notwithstanding the provisions of subsection (a) of this section, the Secretary may, under such regulations as he may prescribe, classify positions at levels below class 10, and establish salary rates therefor at lower rates than those prescribed by this section, for American employees recruited abroad who are not available or are not qualified for transfer to another post and who perform duties of a more routine nature than are generally performed at the class 10 level."

CONVERSION

SEC. 904. Foreign Service officers, Reserve officers, and Foreign Service staff officers and employees who are entitled to receive basic compensation immediately prior to the effective date of this title at one of the rates provided by section 412 or 415 of the Foreign Service Act of 1946, shall receive basic compensation on and after the effective date of this title at the rate of their class determined to be appropriate by the Secretary of State: Provided, That staff officers and employees shall be transferred to the new staff classes established by this Act as follows:

Present class under section 415 of the Foreign Service Act of 1946	*Corresponding new class under section 415 of the Foreign Service Act of 1946, as amended*
FSS– 1	*FSS– 1*
FSS– 2	*FSS– 1*
FSS– 3	*FSS– 2*
FSS– 4	*FSS– 2*
FSS– 5	*FSS– 3*
FSS– 6	*FSS– 3*
FSS– 7	*FSS– 4*
FSS– 8	*FSS– 5*
FSS– 9	*FSS– 6*
FSS–10	*FSS– 7*
FSS–11	*FSS– 8*
FSS–12	*FSS– 9*
FSS–13	*FSS–10*
FSS–14 and below	(1)

[1] *Remain at present class and salary rate until revised pursuant to new section 415(b).*

CONFORMING AMENDMENTS

SEC. 905. The heading of section 642 of the Foreign Service Act of 1946 is amended by deleting the words "and longevity" and section 642 is amended by deleting "(a)" in the first paragraph and by deleting subsection (b) in its entirety.

EFFECTIVE DATE

SEC. 906. Except as otherwise expressly provided in this title, this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

TITLE VI—MISCELLANEOUS SALARY PROVISIONS

REVISION OF SALARY LIMITATIONS FOR CERTAIN SCIENTIFIC AND PROFESSIONAL POSITIONS

SEC. 1001. (a)(1) Section 2(b) of the Act of August 1, 1947 (Public Law 313, Eightieth Congress, as amended (75 Stat. 789; 5 U.S.C. 1161–1163)), relating to the rates of compensation of certain scientific or professional positions, is amended to read as follows:

"(b) The per annum rates of compensation for positions established pursuant to the provisions of this Act shall

not be less than the minimum rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act and shall be subject to the approval of the United States Civil Service Commission.".

(2) The first section of such Act is amended by adding at the end thereof the following new subsection:

"(g) the Librarian of Congress is authorized to establish and fix the compensation for not more than eight scientific or professional positions in the Library of Congress, each such position being established to carry out research and development functions of the Library which require the services of specially qualified personnel. Section 2(a) shall not apply to positions established under this subsection."

(b) Section 1581(b) of title 10 of the United States Code, relating to the rates of compensation of certain scientific or professional positions in the Department of Defense, is amended to read as follows:

"(b) Subject to the Civil Service Commission's approval as to rates, the Secretary may fix the compensation for positions established under subsection (a). However, the per annum compensation may not be less than the minimum rate

of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act.".

(c) Section 4 of the Act of May 29, 1959 (73 Stat. 63; Public Law 86–36), as amended by section 204 of the Act of October 4, 1961 (75 Stat. 791; Public Law 87–367), authorizing scientific and professional positions in the National Security Agency, is amended by striking out ", as amended by paragraph (34)(B) of the first section of the Act of September 2, 1958 (72 Stat. 1456; Public Law 85–861)".

(d) The proviso contained in the first sentence of section 208(g) of the Public Health Service Act, as amended (42 U.S.C. 210(g)), relating to the rates of compensation of certain scientific, professional, and administrative personnel in the Public Health Service, is amended to read as follows: ": Provided, That the rates of compensation for positions established pursuant to the provisions of this subsection shall not be less than the minimum rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act, and shall be subject to the approval of the Civil Service Commission.".

(e) The proviso contained in the second sentence of

section 12 of the Act of May 29, 1884 (62 Stat. 198 as amended and supplemented; 21 U.S.C. 113a), authorizing the Secretary of Agriculture to employ and fix the compensation of technical experts and scientists for research and study of foot-and-mouth disease and other animal diseases, is amended to read as follows: ": Provided, That the number so employed shall not exceed five and that the maximum compensation for each shall not exceed the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended.".

(f) Section 203(b)(2) of the National Aeronautics and Space Act of 1958 (72 Stat. 429; 42 U.S.C. 2473(b)(2)), as amended, authorizing the Administrator of the National Aeronautics and Space Administration to establish and fix the compensation of four hundred and twenty-five scientific, engineering, and administrative positions, is amended by striking out, in the second sentence, ", except that (A) to the extent the Administrator deems such action necessary to the discharge of his responsibilities, he may appoint and fix the compensation (up to a limit of $19,000 a year, or up to a limit of $21,000 a year for a maximum of thirty positions) of" and by inserting in lieu thereof ", except that (A) to the extent the Administrator deems such action necessary to the

discharge of his responsibilities, he may appoint and fix the compensation (at not to exceed the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended, or, for a maximum of thirty positions, not to exceed $21,000 a year) of".

(g) That part of the proviso in section 161d. of the Atomic Energy Act of 1954, as amended (71 Stat. 613; 42 U.S.C. 2201), fixing a limit of $19,000 on the compensation of scientific and technical personnel, is amended by striking out the words "up to a limit of $19,000)" and inserting in lieu thereof "up to a limit of the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended)".

(h) Section 302(f) of the Federal Aviation Act of 1958 (72 Stat. 746; 49 U.S.C. 1343(d)), as amended, authorizing the Administrator of the Federal Aviation Agency to select, employ, and fix the compensation of 23 positions at rates not to exceed $19,500 per annum, is amended by striking out "$19,500 per annum" and inserting in lieu thereof "the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended".

(i) Section 2 of the Act of June 14, 1948, as amended

(62 Stat. 441; 66 Stat. 43; 22 U.S.C. 290a), relating to the compensation of the United States representative and alternate on the Executive Board of the World Health Organization, is amended by striking out "Such representative shall be entitled to receive compensation at a rate not to exceed $12,000 per annum and any such alternate shall be entitled to receive compensation at a rate not to exceed $10,000 per annum", and inserting in lieu thereof "Such representative and any such alternate shall each be entitled to receive compensation at one of the rates provided by section 412 of the Foreign Service Act of 1946, as amended,".

(j) Section 104(b) of the Mutual Educational and Cultural Exchange Act of 1961 (75 Stat. 530; Public Law 87-256) authorizing the fixing of the compensation of not to exceed ten employees without regard to the Classification Act of 1949, is amended to read as follows:

"(b) The President is authorized to employ such other personnel as he deems necessary to carry out the provisions and purposes of this Act, and of such personnel not to exceed ten may be compensated without regard to the provisions of the Classification Act of 1949, as amended, but not in excess of the highest rate of grade 18 of the general schedule established

by such Act. Such positions shall be in addition to the number authorized by section 505 of the Classification Act of 1949, as amended."

(k)(1) Section 625(b) of the Foreign Assistance Act of 1961 (75 Stat. 449; Public Law 87-195), as amended, is amended by striking out "and of these, not to exceed eight may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year" and inserting in lieu thereof "but not in excess of the highest rate of grade 18 of such general schedule".

(2) Section 625(c) of such Act is amended by striking out "and of these, not to exceed three may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year" and inserting in lieu thereof "but not in excess of the highest rate of grade 18 of such general schedule".

(l) Section 7(b) of the Peace Corps Act (75 Stat. 615; Public Law 87-293) is amended by striking out "and of these not to exceed two may be compensated at a rate in excess of the highest rate provided for grades of such general

schedule but not in excess of $19,000 per year" and inserting in lieu thereof "but not in excess of the highest rate of grade 18 of such general schedule".

AGRICULTURAL STABILIZATION AND CONSERVATION COUNTY COMMITTEE EMPLOYEES

SEC. 1002. The rates of compensation of persons employed by the county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) shall be increased by amounts equal, as nearly as may be practicable, to the increases provided by title II of this part for corresponding rates of compensation in the appropriate schedule or scale of pay.

ASSISTANT UNITED STATES ATTORNEYS

SEC. 1003. (a) The last paragraph of section 508 of title 28 of the United States Code is amended to read as follows:

"Assistant United States attorneys and attorneys appointed under section 503 of this title—not more than $17,500."

(b) The rates of basic compensation of assistant United States attorneys whose basic salaries are fixed by section 508

of title 28, United States Code, shall be increased by 7½ per centum effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

EMPLOYEES IN THE JUDICIAL BRANCH

SEC. 1004. (a) The rates of basic compensation of officers and employees in or under the judicial branch of the Government whose rates of compensation are fixed by or pursuant to paragraph (2) of subdivision a of section 62 of the Bankruptcy Act (11 U.S.C. 102(a)(2)), section 3656 of title 18 of the United States Code, the third sentence of section 603, section 604(a)(5), or section 672 to 675, inclusive, of title 28 of the United States Code, or section 107(a)(6) of the Act of July 31, 1956, as amended (5 U.S.C. 2206 (a)(6)), are hereby increased by two amounts, the first amount to be effective for the period beginning as of the first day of the first pay period which begins on or after the date of enactment of this Act, and ending immediately prior to the first day of the first pay period which begins on or after January 1, 1964, and the second amount to be effective on the first day of the first pay period which begins on or after January 1, 1964, and thereafter, which reflect the respective applicable increases provided by title II of this part in cor-

responding rates of compensation for officers and employees subject to the Classification Act of 1949, as amended.

(b) The limitations provided by applicable law on the effective date of this section with respect to the aggregate salaries payable to secretaries and law clerks of circuit and district judges are hereby increased by two amounts, the first amount to be effective for the period beginning as of the first day of the first pay period which begins on or after the date of enactment of this Act, and ending immediately prior to the first day of the first pay period which begins on or after January 1, 1964, and the second amount to be effective on the first day of the first pay period which begins on or after January 1, 1964, and thereafter, which reflect the respective applicable increases provided by title II of this part in corresponding rates of compensation for officers and employees subject to the Classification Act of 1949, as amended.

(c) Section 753(e) of title 28 of the United States Code (relating to the compensation of court reporters for district courts) is amended by striking out the existing salary limitation contained therein and inserting a new limitation to be effective for the period beginning as of the first day of the first pay period which begins on or after the date of enactment

of this Act, and ending immediately prior to the first day of the first pay period which begins on or after January 1, 1964, and a second new limitation effective on the first day of the first pay period which begins on or after January 1, 1964, and thereafter, which reflect the respective applicable increases provided by title II of this part in corresponding rates of compensation for officers and employees subject to the Classification Act of 1949, as amended.

EMPLOYEES IN THE LEGISLATIVE BRANCH

SEC. 1005. (a) Each officer and employee in or under the legislative branch of the Government whose rate of compensation is increased by section 5 of the Federal Employees Pay Act of 1946 shall be paid additional compensation at the rate of 7 per centum of his gross rate of compensation (basic compensation plus additional compensation authorized by law).

(b) The basic compensation of each employee in the office of a Senator is hereby adjusted, effective on the first day of the first pay period which begins on or after the date of enactment of this Act, to the lowest multiple of $60 which will provide a gross rate of compensation not less than the gross rate such employee was receiving immediately prior thereto, except that the foregoing provisions of this subsection shall not

apply in the case of any employee if on or before the fifteenth day following the date of enactment of this Act the Senator by whom such employee is employed notifies the disbursing office of the Senate in writing that he does not wish such provisions to apply to such employee. In any case in which, at the expiration of the time within which a Senator may give notice under this subsection, such Senator is deceased such notice shall be deemed to have been given.

(c) Notwithstanding the provision referred to in subsection (d), the rates of gross compensation of the elected officers of the Senate (except the Presiding Officer of the Senate), the Legislative Counsel of the Senate, the Official Reporters of Debates of the Senate, the Parliamentarian of the Senate, the Senior Counsel in the Office of the Legislative Counsel of the Senate, and the Chief Clerk of the Senate are hereby increased by 7 per centum.

(d) The paragraph imposing limitations on basic and gross compensation of officers and employees of the Senate appearing under the heading "SENATE" in the Legislative Appropriation Act, 1956, as amended (74 Stat. 304; P. L. 86–568), is amended to read as follows:

"No officer or employee whose compensation is disbursed

by the Secretary of the Senate shall be paid basic compensation at a rate in excess of $8,880 per annum, or gross compensation at a rate in excess of $18,880 per annum, unless expressly authorized by law."

(e) The limitation on gross rate per hour per person provided by applicable law on the effective date of this section with respect to the folding of speeches and pamphlets for the Senate is hereby increased by 7 per centum. The amount of such increase shall be computed to the nearest cent, counting one-half cent and over as a whole cent. The provisions of subsection (a) of this section shall not apply to employees whose compensation is subject to such limitation.

(f) Each officer or employee of the House of Representatives, whose compensation is disbursed by the Clerk of the House of Representatives and is not increased automatically, or is not permitted to be increased administratively, by reason of any other provision of this section, shall receive additional compensation at the rate of 7 per centum of the rate of his total annual compensation in effect immediately prior to the effective date of this section.

(g) The limitations on gross rate per thousand and

gross rate per hour per person provided by applicable law on the effective date of this section with respect to the folding of speeches and pamphlets for the House of Representatives are hereby increased by 7 per centum. The amount of each such increase shall be computed to the nearest cent, counting one-half cent and over as a whole cent.

(h) The additional compensation provided by this section shall be considered a part of basic compensation for the purposes of the Civil Service Retirement Act (5 U.S.C. 2251 and the following).

(i) Notwithstanding any other provision of this section, no rate of compensation which exceeds $21,500 shall be increased by this section, and no increase provided by this section shall cause the gross rate of compensation (basic plus additional compensation authorized by law) or the total annual compensation of any officer or employee to exceed $21,500.

SAVING PROVISION

SEC. 1006. Notwithstanding any provision of this Act, no rate of basic, gross, or total annual compensation or salary shall be reduced by reason of the enactment of this Act.

ABSORPTION OF COSTS

SEC. 1007. (a) The departments, agencies, establishments, and corporations in the executive branch shall absorb the costs of the increases in basic compensation provided by this Act to the fullest extent possible without seriously affecting the immediate execution of essential functions.

(b) No request for additional or supplemental appropriations to meet the increases in basic compensation provided by this Act shall be transmitted to the Congress unless it is accompanied by a certification of the Director of the Bureau of the Budget that the amounts requested are necessary to provide for the continued execution of essential functions of the department, agency, or corporation concerned.

(c) Pursuant to the objective of this section, heads of the executive branch activities concerned are directed to review with meticulous care each vacancy resulting from voluntary resignation, retirement, or death and to determine whether the duties of the position can be reassigned to other employees or whether the position can be abolished without seriously affecting the execution of essential functions.

(d) Nothing contained in subsection (a) of this section shall be held or considered to require (1) the separation from the service of any individual by reduction in force or other

personnel action or (2) the placing of any individual in a leave-without-pay status.

EFFECTIVE DATE

SEC. 1008. Except as otherwise expressly provided, this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

PART III—ADJUSTMENT OF ANNUITIES

SEC. 1101. The annuity of each person who, on the effective date of this section, is receiving or entitled to receive an annuity from the civil service retirement and disability fund shall be increased by 5 per centum of the amount of such annuity.

(b) The annuity of each person who receives or is entitled to receive an annuity from the civil service retirement and disability fund commencing during the period which begins on the day followng the effective date of this section and ends five years after such date, shall be increased in accordance with the following table:

If the annuity commences between—	*The annuity shall be increased by—*
January 2, 1963, and December 31, 1963	*4 per centum*
January 1, 1964, and December 31, 1964	*3 per centum*
January 1, 1965, and December 31, 1965	*2 per centum*
January 1, 1966, and December 31, 1966	*1 per centum*

(c) In lieu of any other increase provided by this section, the annuity of a survivor of a retired employee or Member of Congress who received an increase under this section shall be increased by a percentage equal to the percentage by which the annuity of such employee or Member was so increased.

(d) No increase provided by this section shall be computed on any additional annuity purchased at retirement by voluntary contributions.

(e) The limitation reading "or (3) the sum necessary to increase such annuity, exclusive of annuity purchased by voluntary contributions under the second paragraph of section 10 of this Act, to $2,160" contained in section 8(c)(1) of the Civil Service Retirement Act of May 29, 1930, as amended by the Acts of July 16, 1952 (66 Stat. 722; Public Law 555, Eighty-second Congress), and August 31, 1954 (68 Stat. 1043; Public Law 747, Eighty-third Congress), shall not be effective on or after the effective date of this section.

(f) The limitation contained in the next to the last sentence of section 8(d)(1) of the Civil Service Retirement Act of May 29, 1930, as amended, as enacted by the Act of August 11, 1955 (69 Stat. 692; Public Law 369, Eighty-

fourth Congress), shall not be effective on and after the effective date of this section.

(g) The increases provided by this section shall take effect on the effective date of this section, except that any increase under subsection (b) or (c) shall take effect on the beginning date of the annuity.

(h) The monthly installment of annuity after adjustment under this section shall be fixed at the nearest dollar.

SEC. 1102. (a) Section 1 of the Civil Service Retirement Act is amended by adding at the end thereof the following new subsection:

"(t) The term 'price index' shall mean the annual average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics."

(b) Such Act is further amended by redesignating section 18 as 19, and by inserting after section 17 the following new section:

"COST-OF-LIVING ADJUSTMENT OF ANNUITIES

"SEC. 18. (a) After January 1, 1964, and after each succeeding January 1, the Commission shall determine the per centum change in the price index from the later of 1962 or the year preceding the most recent cost-of-living adjust-

ment to the latest complete year. On the basis of such Commission determination, the following adjustments shall be made:

"(1) Effective April 1, 1964, if the change in the price index from 1962 to 1963 shall have equaled a rise of at least 3 per centum, each annuity payable from the fund which has a commencing date earlier than January 2, 1963, shall be increased by the per centum rise in the price index adjusted to the nearest one-tenth of 1 per centum.

"(2) Effective April 1 of any year other than 1964 after the price index change shall have equaled a rise of at least 3 per centum, each annuity payable from the fund which has a commencing date earlier than January 2 of the preceding year shall be increased by the per centum rise in the price index adjusted to the nearest one-tenth of 1 per centum.

"(b) Eligibility for an annuity increase under this section shall be governed by the commencing date of each annuity payable from the fund as of the effective date of an increase, except as follows:

"(1) Effective from the date of the first increase under this section, an annuity payable from the fund to

an annuitant's survivor (other than a child entitled under section 10(d)), which annuity commenced the day after the annuitant's death, shall be increased as provided in subsection (a)(1) or (a)(2) if the commencing date of annuity to the annuitant was earlier than January 2 of the year preceding the first increase.

"(2) Effective from its commencing date, an annuity payable from the fund to an annuitant's survivor (other than a child entitled under section 10(d)), which annuity commences the day after the annuitant's death and after the effective date of the first increase under this section, shall be increased by the total per centum increase the annuitant was receiving under this section at death.

"(3) For purposes of computing an annuity which commences after the effective date of the first increase under this section to a child under section 10(d), the items $600, $720, $1,800, and $2,160 appearing in section 10(d) shall be increased by the total per centum increase allowed and in force under this section, and, in case of a deceased annuitant, the items 40 per centum and 50 per centum appearing in section 10(d) shall be increased by the total per centum increase allowed and in force under this section to the annuitant at death.

Effective from the date of the first increase under this section, the provisions of this paragraph shall apply as if such first increase were in effect with respect to computation of a child's annuity under section 10(d) which commenced between January 2 of the year preceding the first increase and the effective date of the first increase.

"(c) No increase in annuity provided by this section shall be computed on any additional annuity purchased at retirement by voluntary contributions.

"(d) The monthly installment of annuity after adjustment under this section shall be fixed at the nearest dollar."

SEC. 1103. (a) Section 9(g) of the Civil Service Retirement Act is amended to read as follows:

"(g) The annuity as hereinbefore provided (excluding any increase because of retirement under section 7) for any married employee or Member retiring under this Act, or any portion of such annuity designated in writing for purposes of section 10(a)(1), shall be reduced by 2½ per centum of so much thereof as does not exceed $3,600 and by 10 per centum of so much thereof as exceeds $3,600, unless the employee or Member notifies the Commission in writing at the time of retirement that he does not desire his wife or husband to receive an annuity as provided in section 10(a)(1)."

(b) Section 10(a)(1) of such Act is amended to read as follows:

"(1) If an employee or Member dies after having retired under any provision of this Act and is survived by a wife or husband to whom the employee or Member was married at the time of retirement, such wife or husband shall be paid an annuity equal to 55 per centum of an annuity computed as provided in subsections (a), (b), (c), (d), (e), and (f) of section 9, as may apply with respect to the annuitant, or of such portion thereof as may have been designated in writing for such purpose by the employee or Member at the time of retirement, unless the employee or Member has notified the Commission in writing at the time of retirement that he does not desire his wife or husband to receive such annuity."

(c) Section 10(b) of such Act is amended by striking out "50 per centum" and inserting in lieu thereof "55 per centum".

(d) Section 10(c) of such Act is amended by striking out "50 per centum" and inserting in lieu thereof "55 per centum".

(e) Section 10(e) of such Act is amended by striking out "50 per centum" and inserting in lieu thereof "55 per centum".

SEC. 1104. Notwithstanding any other provision of law, the benefits made payable under the Civil Service Retirement

Act by reason of the enactment of this part shall be paid from the civil service retirement and disability fund.

SEC. 1105. Section 1101 of this part shall take effect on January 1, 1963. The amendments made by section 1103 shall not apply in the case of employees or Members retired or otherwise separated prior to the date of enactment of this Act, and the rights of such persons and their survivors shall continue in the same manner and to the same extent as if these amendments had not been enacted.

Passed the House of Representatives January 24, 1962.

Attest: RALPH R. ROBERTS,

Clerk.

Calendar No. 2086

87TH CONGRESS
2D SESSION

H. R. 7927

[Report No. 2120]

AN ACT

To adjust postal rates, and for other purposes.

JANUARY 25, 1962

Read twice and referred to the Committee on Post Office and Civil Service

SEPTEMBER 24, 1962

Reported with an amendment

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued Sept. 26, 1962
For actions of Sept. 25, 1962
87th-2d, No. 173

CONTENTS

Animal food.....2
Appropriations.....1,12,30
Civil defense.....1
Drugs.....2
Education.....25
Extension work.....10
Farm program.....9
FHA loans.....32
Foreign agriculture.....26
Foreign aid.....7,28
Foreign trade.....29
Forestry.....20
Minerals.....22
National goals.....8
Patents.....23
Pay increase.....11
Peanut laboratory.....12
Personnel.....11,19
Postal service.....11
Public works.....16
Purchasing.....34
Research.....12,17,20
Retirement.....19
Ryukyu Islands.....6
School lunch.....4
Statistics.....15
Taxation.....14,21
Territories.....6
Tobacco.....31
Transportation.....5,13,27
Water pollution.....18
Water resources.....24
Watersheds.....3
Wildlife.....33

HIGHLIGHTS: Senate agreed to conference report on farm bill. Senate began consideration of pay bill. Senate passed bill to revise formula for distribution of extension work funds. Sen. Russell defended establishment of peanut research laboratory in Ga. Senate passed bill to assist states in forest research. Sen. Boggs inserted speech on agricultural research accomplishments. Conferees agreed to file report on tax bill. Sens. Dodd and Wiley inserted articles on food situation in Communist China. Both Houses agreed to conference report on independent offices appropriation bill.

HOUSE

1. INDEPENDENT OFFICES APPROPRIATION BILL, 1963. Both Houses received and agreed to the further conference report on this bill, H. R. 12711, and acted on amendments in disagreement (H. Rept. 2466)(pp. 19421-3, 19446, 19472-5). Agreed to an amendment to appropriate $88,000,000 for expenses necessary for studies, research, surveys, and marking to develop measures and plans for civil defense instead of $10,000,000 for research as proposed by the House and $93,800,000 for shelter, research, and development, and construction as proposed by the Senate. This bill will now be sent to the President.

2. DRUGS. The Rules Committee reported a resolution for the consideration of H.R. 11581, for the proposed Drug and Factory Inspection Amendments of 1962. pp. 19432-3, 19446

As reported, the bill amends "the anticancer clause of the food additives amendment and the color additive amendment of the Federal Food, Drug, and Cosmetic Act by making this clause inapplicable to chemicals such as veterinary drugs when used in feed for food-producing animals if the Secretary finds

(1) that under the conditions of use and feeding specified in the proposed labeling and reasonably certain to be followed in practice, such additive will not adversely affect the animals for which such feed is intended, and (2) that no residue of the additive will be found (by methods of examination prescribed or approved by the Secretary by regulations) in any edible portion of the animal after slaughter or in any food such as milk or eggs yielded by or derived from the living animal."

3. WATERSHEDS. Both Houses received from the Budget Bureau a plan for works of improvement relating to the following watershed: Big Creek, Tex.; to Agriculture Committee. pp. 19445, 19481

   Both Houses received from the Budget Bureau a plan for works of improvement relating to the following watershed: Boulder Lake, Wyo.; to Public Works Committee. pp. 19445-6, 19481

4. SCHOOL LUNCH. The "Daily Digest" states that the Judiciary Committee "Tabled S. J. Res. 211, providing for the establishment of an annual National School Lunch Week." p. D891

5. TRANSPORTATION. Agreed to the conference report on S. 320, to amend the Interstate Commerce Act concerning registration of State certificates whereby a common carrier by motor vehicle may engage in interstate and foreign commerce within a State. pp. 19433-8

6. TERRITORIES. Concurred in the Senate amendment to H. R. 10937, to amend the act providing for the economic and social development in the Ryukyu Islands. This bill will now be sent to the President. p. 19419

7. FOREIGN AID. Rep. Ichord, Mo., criticizing the foreign aid program and inserting an address by Mr. Justice Douglas. pp. 19439-40

8. NATIONAL GOALS. Rep. Halpern urged enactment of legislation to establish a permanent National Council on U. S. Goals. pp. 19442-3

SENATE

9. FARM PROGRAM. By a vote of 52 to 41, agreed to the conference report on H. R. 12391, the farm bill (pp. 19447-72, 19475-80). This bill will now be sent to the President. See Digest 167 for a summary of the bill.

10. EXTENSION WORK. Passed without amendment H. R. 12589, to modify the formula for apportionment of Federal Extension Service funds so that 4 percent of any increase in appropriations over the 1962 level would go to the Federal Extension Service for administration and coordination of cooperative extension work and the remaining 96 percent of any increase would go to the States with 20 percent distributed equally, 40 percent on the basis of farm population, and 40 percent on the basis of rural population. Also, the bill provides for quarterly, instead of semiannual, payment of extension funds to the States. This bill will now be sent to the President. pp. 19528-9

11. PERSONNEL; POSTAL SERVICE. Began consideration of H. R. 7927, the Federal pay and postal rate increase bill. pp. 19539-53

12. APPROPRIATIONS; RESEARCH. Sen. Russell defended an item in the agricultural appropriation bill for the establishment of a peanut research laboratory at Dawson, Ga., contended that statements were made on the floor of the House which "totally misrepresented the nature of the work this institution proposed

eliminations for intercompany transactions.

The bill provides that for the net operating loss carryover to be available for the sixth year, the taxpayer involved must be a "regulated transportation corporation" for that year. For a loss to be carried to its seventh year the taxpayer involved must have been a "regulated transportation corporation" for both the sixth and the seventh years.

The bill also provides a proration formula which limits the loss which can be carried over from a year beginning in 1955 and ending in 1956. The formula provides that any loss carried over the sixth year in such cases is to be the same proportion of any loss remaining at the end of the fifth year which the number of days in the taxpayer's 1955–56 year which were in the calendar year 1956 bears to the total number of days in that year. Any of this partial loss remaining after the offset against income in the sixth year may then be carried forward and offset against income in the seventh year.

DEPARTMENTAL VIEWS

The Treasury Department has no objection to enactment of this bill.

ADMITTANCE OF VESSEL, "CITY OF NEW ORLEANS," TO AMERICAN REGISTRY

The Senate resumed the consideration of the bill (S. 3115) to authorize the admittance of the vessel, *City of New Orleans,* to American registry and to permit the use of such vessel in the coastwide trade.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

POSTAL SERVICE AND FEDERAL EMPLOYEES SALARY ACT OF 1962

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 2086, H.R. 7927.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 7927) to adjust postal rates, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Post Office and Civil Service, with an amendment, to strike out all after the enacting clause and insert:

That this Act may be cited as the "Postal Service and Federal Employees Salary Act of 1962".

PART I—POSTAL SERVICE

Title I—Postal rates

First-Class Mail

SEC. 101. Section 4253(a) of title 39, United States Code, is amended by striking out the words "four" and "three" wherever appearing in subsection (a) and inserting in lieu thereof the words "five" and "four", respectively.

Airmail

SEC. 102. (a) Section 4303 of title 39, United States Code, is amended—

(1) by striking out the word "seven" in subsection (a) and inserting in lieu thereof the word "eight";

(2) by striking out the word "five" in subsection (b) and inserting in lieu thereof the word "six";

(3) by increasing each of the rates under the heading "First pound over 8 ounces or fraction thereof" in the table in subsection (d)(1) by 8 cents;

(4) by striking out paragraph (2) of subsection (d) and inserting in lieu thereof the following:

"(2) The rate of postage on air mail of the first class weighing in excess of eight ounces shall be the rate provided by subsection (a) for each ounce not in excess of eight ounces, plus 5 cents for each ounce or fraction thereof in excess of eight ounces, but in no case less than the rate provided under paragraph (1) for air parcels."

Second Class Within County of Publication

SEC. 103. Subsections (a) and (b) of section 4358 of title 39, United States Code, are amended to read as follows:

"(a)) Except as provided in subsection (b), the rate of postage on publications admitted as second-class mail when addressed for delivery within the county in which they are published and entered is as follows:

"[In cents]

	"Mailed after January 6, 1963, and prior to January 1, 1965	Mailed after December 31, 1964
"Rate per pound	1	1¼
Minimum charge per piece	⅛	¼

"(b) The rate of postage on the following publications admitted as second-class mail when mailed for delivery, within the county in which they are published and entered, by letter carrier at the office of mailing, shall be—

"(1) publications issued more frequently than weekly, one cent a copy;

"(2) publications issued less frequently than weekly—

"(A) weighing two ounces or less, one cent a copy;

"(B) weighing more than two ounces, two cents a copy."

Second Class Beyond County of Publication

SEC. 104. (a) Section 4359(b) of title 39, United States Code, is amended to read as follows:

"(b)(1) Except as provided by paragraphs (2), (3), and (4), the rates of postage on publications mailed in accordance with subsection (a) are as follows:

"[In cents]

	"Mailed after January 6, 1963, and prior to January 1, 1964	Mailed during calendar year 1964	Mailed after December 31, 1964
"Rate per pound:			
Advertising portion:			
Zones 1 and 2	3.4	3.8	4.0
Zone 3	4.4	4.8	5.0
Zone 4	6.4	6.8	7.0
Zone 5	8.4	8.8	9.0
Zone 6	10.4	10.8	11.0
Zone 7	12.0	12.0	12.0
Zone 8	14.0	14.0	14.0
Nonadvertising portion	2.6	2.7	2.8
Minimum charge per piece	.6	.8	1.0

"(2) The postage on classroom publications is 60 per centum of the postage computed in accordance with paragraph (1).

"(3) The rates of postage on publications of a qualified nonprofit organization mailed in accordance with subsection (a) are as follows:

"[In cents]

	"Mailed after January 6, 1963, and prior to January 1, 1964	Mailed during calendar year 1964	Mailed after December 31, 1964
"Rate per pound	1.6	1.7	1.8
Minimum charge per piece	⅛	¼	¼

"(4) In lieu of the minimum charge per piece prescribed by paragraph (1), the minimum charge per piece to be paid by the following publications (other than publications to which paragraph (2) or paragraph (3) is applicable) shall be as follows—

"(A) publications mailing fewer than 5,000 copies per issue outside the county of publication—one-half cent per piece;

"(B) any issue of a publication the advertising portion of which does not exceed 5 per centum of the entire issue—.55 of a cent per piece when mailed after January 6, 1963, and prior to January 1, 1964, .65 of a cent per piece when mailed during calendar year 1964, and .75 of a cent per piece when mailed after December 31, 1964."

(b) Section 4359(e)(2) of title 39, United States Code, is amended by striking out "and fraternal," and inserting in lieu thereof the following: "fraternal, and associations of rural electric cooperatives, and not to exceed one publication published by the official highway agency of a State which meets all of the requirements of section 4354 and which contains no advertising".

(c) Section 4360 of title 39, United States Code, is repealed.

Second-Class Transient Mail

SEC. 105. Section 4362 of title 39, United States Code, is amended by striking out "two cents" and inserting in lieu thereof "four cents".

Controlled Circulation Publications

SEC. 106. Section 4422 of title 39, United States Code, is amended by striking out "12

cents a pound or fraction thereof" and inserting in lieu thereof the following: "12½ cents a pound or fraction thereof when mailed after January 6, 1963, and prior to January 1, 1964, 13 cents a pound or fraction thereof when mailed during calendar year 1964, and 13½ cents a pound or fraction thereof when mailed after December 31, 1964".

Third-Class Mail

SEC. 107. Section 4452 of title 39, United States Code, is amended—

(1) by amending subsections (a), (b), and (c) to read as follows:

"(a) Except as provided in subsection (c) of this section, and subject to the minimum charge per piece provided in subsection (b) of this section, the postage rates on third-class mail are as follows:

"Type of mailing	Rate	Unit
	Cents	
(1) Individual piece	4	First 2 ounces or fraction thereof.
	2	Each additional ounce or fraction thereof.
(2) Bulk mailings under subsec. (e) of this section of: (A) Books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions and plants.	12	Each pound or fraction thereof.
(B) Other matter	18	Do.

"(b) Matter mailed in bulk under subsection (e) of this section is subject to a minimum charge for each piece of 2⅝ cents when mailed subsequent to January 6, 1963 and prior to January 1, 1964, 2⅝ cents when mailed during calendar year 1964, and 2⅞ cents when mailed after December 31, 1964.

"(c) The postage on matter mailed in bulk under subsection (e) by qualified nonprofit organizations is 50 per centum of the postage computed in accordance with subsections (a) and (b)."

(2) by striking out "subsections (a) and (b) of" wherever it appears in subsection (d).

(3) by striking aut "$20" and "twenty pounds" in subsection (e) and inserting in lieu thereof "$30" and "fifty pounds", respectively.

Fourth-Class Mail

SEC. 108. Section 4552(b)(5) of title 39, United States Code, relating to size and weight limitations on fourth-class matter mailed to or from certain areas, is amended by striking out the words "Territory of Hawaii" and inserting in lieu thereof the words "States of Alaska and Hawaii,".

SEC. 109. Section 4554 of title 39, United States Code (relating to books, films, and similar educational materials), is amended by striking out that part of subsection (a) which precedes paragraph (1) and inserting in lieu thereof the following:

"(a) Except as provided in subsection (b) of this section, the postage rate is 9½ cents a pound for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof when mailed after January 6, 1963 and prior to January 1, 1964, and 10 cents for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof when mailed after December 31, 1963, except that the rate now or hereafter prescribed for third- or fourth-class matter shall apply in every case where such rate is lower than the rate prescribed in this subsection on—".

Fees for Second-Class Entry and Registration

SEC. 110. Section 4357 of title 39, United States Code, is amended—

(1) by striking out "$25" in subsection (a)(1) and inserting in lieu thereof "$30";

(2) by striking out "$50" in subsection (a)(2) and inserting in lieu thereof "$60";

(3) by striking out "$100" in subsection (a)(3) and inserting in lieu thereof "$120";

(4) by striking out "$10" in the first sentence of subsection (b) and inserting in lieu thereof "$15";

(5) by striking out the second sentence of subsection (b) and inserting in lieu thereof the following: "The fee for each additional entry is $15, except that if the additional entry is made within zones 3 to 8, inclusive, (determined from the office of publication and entry) of the zones established for purposes of fourth-class mail, such fee shall be $50.";

(6) by striking out "$20" in subsection (c) and inserting in lieu thereof "$25"; and

(7) by striking out the last sentence in subsection (d).

Permit Fees for Mailing Without Stamps

SEC. 111. Section 4052(b) of title 39, United States Code, is amended by striking out "$10" and inserting in lieu thereof "$15".

Fixing of Fees by Postmaster General

SEC. 112. Section 507 of title 39, United States Code, is amended by adding at the end thereof the following:

"(12) the issuance of a permit for prepayment of postage without stamps.

"(13 the entry, re-entry, or additional entry of a periodical publication as second-class mail.

"(14) the registry of a news agent.

Fees prescribed by the Postmaster General under paragraphs (12) to (14), inclusive, shall be collected in lieu of the corresponding fees established under section 4052(b) or 4357."

Keys and Other Small Articles

SEC. 113. Section 4651(b) of title 39, United States Code, is amended by striking out "5 cents" and inserting in lieu thereof "6 cents".

Method of Determining Gross Receipts

SEC. 114. Section 711(c) of title 39, United States Code, is amended by striking out "Public Law 85–426" and inserting in lieu thereof "any Act of Congress enacted on or after May 27, 1958".

Title II—Postal policy

SEC. 201. (a) Section 2302(c)(4) of title 39, United States Code, is amended by striking out "deemed to be attributable to the performance of public services under section 2303(b) of this title" and inserting in lieu thereof "determined under section 2303 of this title to be attributable to the performance of public services".

(b) Section 2303(a) of title 39, United States Code, is amended—

(1) by amending the heading so as to read "§ 2303. Identification of public services and costs thereof";

(2) by striking out paragraph 1(A) and inserting in lieu thereof the following:

"(A) reduced rates for certain publications as provided by section 4359 of this title;";

(3) by striking out paragraph 1(C) and inserting in lieu thereof the following:

"(C) second-class mailings at postage rates as provided by section 4358 of this title;"; and

(4) by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) 10 per centum of the gross cost of the operation of third-class post offices and the star route system, and 20 per centum of the gross cost of the operation of fourth-class post offices and rural routes."

(5) by adding at the end thereof the following new sentence: "The terms 'total loss' and 'loss' as used in this section mean the amounts by which the total allocated costs incurred by the postal establishment in the performance of the public services enumerated in this subsection exceed the total revenues received by the postal establishment for the performance of such public services."

(c) Section 2303(b) of title 39, United States Code, is amended to read as follows:

"(b) The Postmaster General shall report to the Congress, on or before February 1 of each year beginning with the year 1963, the estimated amount of the losses or costs (or percentage of costs) specified in subsection (a) incurred by the postal establishment in the then current fiscal year in the performance of the public services enumerated in such subsection. The aggregate amount of the losses or costs (or percentage of costs) specified in subsection (a), incurred by the postal establishment in any fiscal year in the performance of such public services, shall be excluded from the total cost of operating the postal establishment for purposes of adjustment of postal rates and fees, including any adjustment pursuant to the provisions of section 207(b) of the Act of February 28, 1925, relating to reformation of classification (39 U.S.C., 1958 ed. 247)."

(d) The table of contents of chapter 27 of title 39, United States Code, is amended by striking out

"2303. Identification of and appropriations for public services."

and inserting in lieu thereof:

"2303. Identification of public services and costs thereof.".

Title III—Miscellaneous

Eligibility of Certain Organizations for Second-Class Entry

SEC. 301. Section 4355(a) of title 39, United States Code, is amended—

(1) by inserting after the words "State board of health" in subparagraph (3) a comma and the words "or a State industrial development agency";

(2) by striking out the period at the end of subparagraph (9) and inserting in lieu of such period a semicolon and the word "or"; and

(3) by adding at the end thereof the following new subparagraph (10):

"(10) published by any public or nonprofit private elementary or secondary institution of learning or its administrative or governing body.".

Educational Materials

SEC. 302. Section 4554 of title 39, United States Code, is amended—

(1) by striking out paragraph (5) of subsection (a) and inserting in lieu thereof the following:

"(5) sound recordings, including incidental announcements of recordings and guides or scripts prepared solely for use with such recordings;";

(2) by striking out the period at the end of paragraph (6) of subsection (a) and inserting in lieu thereof a semicolon;

(3) by adding at the end of subsection (a) the following:

"(7) printed educational reference charts, permanently processed for preservation; and

"(8) looseleaf pages, and binders therefor, consisting of medical information for distribution to doctors, hospitals, medical schools, and medical students."

(4) by striking out the word "students'" immediately preceding the word "notations" in paragraph (1) of subsection (a) and in paragraph (2) of subsection (b);

(5) by inserting after the words "loaned or exchanged" in paragraph (1) of subsec-

tion (b) the following: "(including cooperative processing by libraries)";

(6) by striking out:

"(D) bound volumes of periodicals;

"(E) phonograph recordings; and"

in paragraph (2) of subsection (b) and inserting in lieu thereof:

"(D) periodicals, whether bound or unbound;

"(E) sound recordings; and"; and

(7) by striking out "and catalog of those items" in subsection (c) and inserting in lieu thereof "scientific or mathematical kits, instruments, or other devices and catalogs of those items, and guides or scripts prepared solely for use with such materials".

Reading and Other Materials for Blind Persons

SEC. 303. Sections 4653 and 4654 of title 39, United States Code, are amended to read as follows:

"§ 4653. Publications for blind persons

"(a) The following matter may be mailed free of postage—

"(1) books, pamphlets, and other reading matter, including pages thereof:

"(A) published (whether prepared by hand, or printed) either in raised characters or in sightsaving-size type, or in the form of sound recordings, for use of blind persons;

"(B) in packages not exceeding the weight prescribed by the Postmaster General;

"(C) containing no advertising or other matter whatsoever;

"(D) unsealed;

"(E) sent—

"(i) by an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, as a loan to blind readers, or when returned by the blind reader to the lender; or

"(ii) to a blind person without cost to the blind person; or

"(iii) to an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, to be furnished to a blind person without cost to such blind person.

"(2) magazines, periodicals, and other regularly issued publications;

"(A) published (whether prepared by hand, or printed) either in raised characters or in sightsaving-size type, or in the form of sound recordings, for use of blind persons;

"(B) containing no advertising;

"(C) for which no subscription fee is charged.

"(b) There may be mailed at the rate of postage of 1 cent for each pound or fraction thereof—

"(1) books, pamphlets, and other reading matter, including pages thereof:

"(A) published (whether prepared by hand, or printed) either in raised characters or in sightsaving-size type, or in the form of sound recordings, for use of blind persons;

"(B) in packages not exceeding the weight prescribed by the postmaster General;

"(C) containing no advertising or other matter whatsoever;

"(D) unsealed;

"(E) sent—

"(i) by an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, on a rental basis to blind readers, or when returned by the blind reader to such organizations, at a price not greater than the cost price thereof; or

"(ii) to a blind person at a price not greater than the cost price thereof; or

"(iii) to an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, to be furnished to a blind person at a price not greater than the cost price thereof.

"(2) magazines, periodicals, and other regularly issued publications;

"(A) published (whether prepared by hand, or printed) either in raised characters or in sightsaving size type, or in the form of sound recordings, for use of blind persons;

"(B) containing no advertising;

"(C) when furnished by an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, to a blind person, at a price not greater than the cost price thereof.

"§ 4654. Reproducers, sound recordings, and other materials and appliances for the preparation of reading matter for blind persons

"(a) Reproducers, or parts thereof, for sound recordings for blind persons which are the property of the United States Government may be mailed free of postage when sent for repair, or returned after repair—

"(1) by an organization, institution, public library, or association for blind persons, not conducted for private profit;

"(2) by a blind person to such an agency not conducted for private profit;

"(3) from such an agency to an organization, institution, public library, or association, for blind persons not conducted for private profit; or

"(4) to a blind person.

"(b) The Postmaster General may extend the free mailing privilege provided by subsection (a) of this section to reproducers or parts thereof for sound recordings for blind persons, braille writers and other appliances for blind persons or parts thereof, that are the property of—

"(1) State government or subdivisions thereof;

"(2) public libraries;

"(3) private agencies for the blind not conducted for private profit; or

"(4) blind individuals.

"(c) The Postmaster General may also permit the mailing free of postage of paper, records, tapes, and other materials for use by the recipients for the production (whether by hand or printed) of reading matter either in raised characters or sight saving size type, or in the form of sound recordings, for use of blind persons, where such materials are the property of—

"(1) State governments or subdivisions thereof;

"(2) public libraries;

"(3) private agencies for the blind not conducted for private profit; or

"(4) blind individuals."

Repeals and Technical Amendments

SEC. 304. (a) The following provisions of law are repealed:

(1) The third proviso in section 3 of the Act of October 30, 1951, as amended by the Act of June 23, 1959 (73 Stat. 89; Public Law 86–56);

(2) Sections 204(d), 204(e)(1), and 204(e)(2) of the Postal Rate Revision and Federal Employees Salary Act of 1948, as amended by the Act of July 14, 1960 (74 Stat. 479; Public Law 86–644);

(3) Sections 4361 and 4652 of title 39, United States Code.

(b) Section 4359(a) of title 39, United States Code, is amended by striking out "4358, 4361, and 4362" and inserting in lieu thereof "4358 and 4362".

(c) Section 4451(d) of title 39, United States Code, is amended by striking out "(a)(2)" and inserting in lieu thereof "(a)(3)".

Communist Political Propaganda

SEC. 305. (a) Chapter 51 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"§ 4008. Communist political propaganda

"(a) Mail matter, except sealed letters, which originates or which is printed or otherwise prepared in a foreign country and which is determined by the Secretary of the Treasury pursuant to rules and regulations to be promulgated by him to be 'Communist political propaganda', shall be detained by the Postmaster General upon its arrival for delivery in the United States, or upon the subsequent deposit in the United States domestic mails, and the addressee shall be notified that such matter has been received and will be delivered only upon the addressee's request, except that such detention shall not be required in the case of any matter which is furnished pursuant to subscription or which is otherwise ascertained by the Postmaster General to be desired by the addressee. If no request for delivery is made by the addressee within a reasonable time, which shall not exceed sixty days, the matter detained shall be disposed of as the Postmaster General directs.

"(b) For the purposes of this section, the term 'Communist political propaganda' means political propaganda, as defined in section 1(j) of the Foreign Agents Registration Act of 1938, as amended (22 U.S.C. 611(j)), issued by or on behalf of any country with respect to which there is in effect a suspension or withdrawal of tariff concessions pursuant to section 5 of the Trade Agreements Extension Act of 1951 or section 231 of the Trade Expansion Act of 1962, or any country from which any type of foreign assistance is withheld pursuant to section 620(f) of the Foreign Assistance Act of 1961, as amended.

"(c) The provisions of this section shall not be applicable with respect to (1) matter addressed to any United States Government agency, or any library, or to any college, university, graduate school, or scientific or professional institution for advanced studies, or any individual connected therewith, or (2) material whether or not 'communist political propaganda' addressed for delivery in the United States pursuant to a reciprocal international agreement under which the United States Government mails an equal amount of material for delivery in any country described in subsection (b)."

(b) The table of contents of chapter 51 of title 39, United States Code, is amended by adding at the end thereof the following:

"4008. Communist political propaganda."

Effective Date

SEC. 306. Except as otherwise provided, the foregoing provisions of this part shall become effective on January 7, 1963.

PART II—FEDERAL SALARY REFORM

Title I—General policy

Short Title

SEC. 501. This part may be cited as the "Federal Salary Reform Act of 1962".

Declaration of Policy

SEC. 502. The Congress hereby declares that, whereas the functions of a Federal salary system are to fix salary rates for the services rendered by Federal employees so as to make possible the employment of persons well qualified to conduct the Government's programs and to control expenditures of public funds for personal services with equity to the employee and to the taxpayer, and whereas fulfillment of these functions is essential to the development and maintenance of maximum proficiency in the civilian services of Government, then, accordingly, Federal salary fixing shall be based upon the principles that—

(a) There shall be equal pay for substantially equal work, and pay distinctions shall

be maintained in keeping with work and performance distinctions; and

(b) Federal salary rates shall be comparable with private enterprise salary rates for the same levels of work.

Salary levels for the several Federal statutory salary systems shall be interrelated, and salary levels shall be set and henceforth adjusted in accordance with the above principles.

Implementation of Policy

SEC. 503. In order to give effect to the policy stated in section 502, the President: (1) shall direct such agency or agencies, as he deems appropriate, to prepare and submit to him annually a report which compares the rates of salary fixed by statute for Federal employees with the rates of salary paid for the same levels of work in private enterprise as determined on the basis of appropriate annual surveys conducted by the Bureau of Labor Statistics, and, after seeking the views of such employee organizations as he deems appropriate and in such manner as he may provide, (2) shall report annually to the Congress (a) this comparison of Federal and private enterprise salary rates and (b) such recommendations for revision of statutory salary schedules, salary structures, and compensation policy, as he deems advisable.

SEC. 504. (a) Whenever the President shall find that the salary rates in private enterprise for one or more occupations in one or more areas or locations are so substantially above the salary rates of statutory pay schedules as to handicap significantly the Government's recruitment or retention of well-qualified persons in positions compensated under (1) section 603(b of the Classification Act of 1949, as amended (5 U.S.C. 1113(b)), (2) the provisions of part III of title 39, United States Code, relating to personnel in the postal field service, (3) the pay scales for physicians, dentists, and nurses in the Department of Medicine and Surgery of the Veterans' Administration under chapter 73 of title 38, United States Code, or (4) sections 412 and 415 of the Foreign Service Act of 1946, as amended (22 U.S.C. 867 and 870), he may establish for such areas or locations higher minimum rates of basic compensation for one or more grades or levels, occupational groups, series, classes, or subdivisions thereof, and may make corresponding increases in all step rates of the salary range for each such grade or level: *Provided,* That in no case shall any minimum salary rate so established exceed the seventh salary rate prescribed by law for the grade or level. The President may authorize the exercise of the authority conferred upon him by this section by the Civil Service Commission or, in the case of employees not subject to the civil service laws and regulations, by such other agency or agencies as he may designate.

(b) Within the limitations specified in subsection (a), rates of basic compensation established under such subsection may be revised from time to time by the President or by such agency or agencies as he may designate. Such actions or revisions shall have the force and effect of law.

(c) Any increase in rate of basic compensation established under this section shall not be regarded as an "equivalent increase" in compensation within the meaning of section 701(a) of the Classification Act of 1949, as amended, and section 3552 of title 39 of the United States Code.

SEC. 505. The functions, duties, and regulations of the departments and the Civil Service Commission with respect to this title, the Classification Act of 1949, as amended, the provisions of part III of title 39, United States Code, relating to personnel in the postal field service, the Foreign Service Act of 1946, as amended, and the provisions of chapter 73 of title 38 of the United States Code relating to personnel of the Department of Medicine and Surgery in the Veterans' Administration, shall be subject to such policies and rules as the President may issue. Among other things, the President's policies and rules may provide for—

(1) preparing and reporting to him the annual comparison of Federal salary rates with private enterprise rates,

(2) obtaining and reporting to him the views of employee organizations on such annual comparison, and on other salary matters,

(3) reviewing and reporting to him on the adequacy of the Federal statutory salary structures for the Federal programs to which they apply,

(4) reviewing the relationship of Federal statutory salary rates and private enterprise salary rates in specific occupation and local areas, and

(5) providing step-increases in recognition of high quality performance and providing for properly relating supervisory salary rates paid under one system to those of subordinates paid under another system.

Title II—Pay system of the Classification Act of 1949

Short Title

SEC. 601. This title may be cited as the "Classification Act Amendments of 1962".

Basic Compensation Schedules

SEC. 602. (a) Section 603(b) of the Classification Act of 1949, as amended (74 Stat. 298; 5 U.S.C. 1113(b)), is amended to read as follows:

"(b) The compensation schedules for the General Schedule shall be as follows:

"COMPENSATION SCHEDULE I

"(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act, and ending immediately prior to the applicable initial effective date of Compensation Schedule II set forth below)

"Grade	Per annum rates and steps									
	1	2	3	4	5	6	7	8	9	10
GS-1	$3,245	$3,350	$3,455	$3,560	$3,665	$3,770	$3,875	$3,980	$4,085	$4,190
GS-2	3,560	3,665	3,770	3,875	3,980	4,085	4,190	4,295	4,400	4,505
GS-3	3,820	3,925	4,030	4,135	4,240	4,345	4,455	4,580	4,705	4,830
GS-4	4,110	4,250	4,390	4,530	4,670	4,810	4,950	5,090	5,230	5,370
GS-5	4,565	4,725	4,885	5,045	5,205	5,365	5,525	5,685	5,845	6,005
GS-6	5,035	5,205	5,375	5,545	5,715	5,885	6,055	6,225	6,395	6,565
GS-7	5,540	5,725	5,910	6,095	6,280	6,465	6,650	6,835	7,020	7,205
GS-8	6,090	6,295	6,500	6,705	6,910	7,115	7,320	7,525	7,730	7,935
GS-9	6,675	6,900	7,125	7,350	7,575	7,800	8,025	8,250	8,475	8,700
GS-10	7,290	7,535	7,780	8,025	8,270	8,515	8,760	9,005	9,250	9,495
GS-11	8,045	8,310	8,575	8,840	9,105	9,370	9,635	9,900	10,165	----------
GS-12	9,475	9,790	10,105	10,420	10,735	11,050	11,365	11,680	11,995	----------
GS-13	11,150	11,515	11,880	12,245	12,610	12,975	13,340	13,705	14,070	----------
GS-14	12,845	13,270	13,695	14,120	14,545	14,970	15,395	15,820	16,245	----------
GS-15	14,565	15,045	15,525	16,005	16,485	16,965	17,445	17,925	----------	----------
GS-16	16,000	16,500	17,000	17,500	18,000	----------	----------	----------	----------	----------
GS-17	18,000	18,500	19,000	19,500	20,000	----------	----------	----------	----------	----------
GS-18	20,000	----------	----------	----------	----------	----------	----------	----------	----------	----------

"COMPENSATION SCHEDULE II

"(To be effective on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

"Grade	Per annum rates and steps									
	1	2	3	4	5	6	7	8	9	10
GS-1	$3,305	$3,410	$3,515	$3,620	$3,725	$3,830	$3,935	$4,040	$4,145	$4,250
GS-2	3,620	3,725	3,830	3,935	4,040	4,145	4,250	4,355	4,460	4,565
GS-3	3,880	3,985	4,090	4,195	4,300	4,405	4,525	4,650	4,775	4,900
GS-4	4,215	4,355	4,495	4,635	4,775	4,915	5,055	5,195	5,335	5,475
GS-5	4,690	4,850	5,010	5,170	5,330	5,490	5,650	5,810	5,970	6,130
GS-6	5,235	5,410	5,585	5,760	5,935	6,110	6,285	6,460	6,635	6,810
GS-7	5,795	5,990	6,185	6,380	6,575	6,770	6,965	7,160	7,355	7,550
GS-8	6,390	6,600	6,810	7,020	7,230	7,440	7,650	7,860	8,070	8,280
GS-9	7,030	7,260	7,490	7,720	7,950	8,180	8,410	8,640	8,870	9,100
GS-10	7,690	7,945	8,200	8,455	8,710	8,965	9,220	9,475	9,730	9,985
GS-11	8,410	8,690	8,970	9,250	9,530	9,810	10,090	10,370	10,650	----
GS-12	9,980	10,310	10,640	10,970	11,300	11,630	11,960	12,290	12,620	----
GS-13	11,725	12,110	12,495	12,880	13,265	13,650	14,035	14,420	14,805	----
GS-14	13,615	14,065	14,515	14,965	15,415	15,865	16,315	16,765	17,215	----
GS-15	15,665	16,180	16,695	17,210	17,725	18,240	18,755	19,270	----	----
GS-16	16,000	16,500	17,000	17,500	18,000	----	----	----	----	----
GS-17	18,000	18,500	19,000	19,500	20,000	----	----	----	----	----
GS-18	20,000	----	----	----	----	----	----	----	----	----

"

(b) The rates of basic compensation of officers and employees to whom Compensation Schedule I of the General Schedule set forth in subsection (a) of this section applies shall, subject to the provisions of paragraph (10) of this subsection, be initially adjusted, effective on the first day of the first pay period beginning on or after the date of enactment of this Act, as follows:

(1) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the first, second, third, fourth, fifth, sixth, or seventh scheduled rate, or at the first or second longevity rate of a grade below grade 4 of the General Schedule of the Classification Act of 1949, as amended, he shall be advanced as follows: Employees in step 1 to step 2 of the new schedule; step 2 to step 3; step 3 to step 4; step 4 to step 5; step 5 to step 6; step 6 to step 7; sept 7 to step 8; the first longevity step to step 9; and the second longevity step to step 10.

(2) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the third longevity rate of a grade below grade 4 of the General Schedule of the Classification Act of 1949, as amended, he shall receive basic compensation at the highest rate of the appropriate grade plus an amount equal to the value of the maximum within grade increment provided for that grade in effect on and after such day.

(3) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the first, second, third, fourth, fifth, sixth, or seventh scheduled rate, or at the first, second, or third longevity rate, of grade 4, 5, 6, 7, 8, 9, or 10 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, fifth, sixth, seventh, eighth, ninth, or tenth rate of the appropriate grade in effect on and after such day.

(4) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the first, second, third, fourth, fifth, or sixth scheduled rate, or at the first, second, or third longevity rate of grade 11, 12, 13, or 14 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, fifth, sixth, seventh, eighth, or ninth rate of the appropriate grade in effect on and after such day.

(5) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act as the first, second, third, fourth, or fifth scheduled rate, or at the first, second, or third longevity rate of grade 15 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, fifth, sixth, seventh, or eighth rate of such grade in effect on and after such day.

(6) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period, which begins on or after the date of enactment of this Act at the first, second, third, fourth, or fifth rate of grade 16 or grade 17 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, or fifth grade of the appropriate grade in effect on and after such day.

(7) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding rate of such grade in effect on and after such day.

(8) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at a rate between two scheduled or two longevity rates, or between a scheduled and a longevity rate, of a grade of the General Schedule, he shall receive a rate of basic compensation at the higher of the two corresponding rates, as specified in paragraphs (1) through (6) of this subsection, in effect on and after such day.

(9) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at a rate in excess of the maximum longevity rate for his grade, or in excess of the maximum scheduled rate for his grade if there is no longevity rate for his grade, he shall receive (A) the rate of the new schedule, in effect on and after such day, prescribed by paragraphs (1) through (6) of this subsection for employees at the maximum longevity rate or at the maximum scheduled rate, as the case may be, for his grade, or (B) if such rate is less than his existing rate, (i) the lowest rate of the new schedule for his grade which equals or exceeds his existing rate or (ii) if there is no such rate, his existing rate.

(10) Service of officers and employees performed immediately preceding the first day of the first pay period which begins on or after the date of enactment of this Act, in the grade of the General Schedule in which their respective positions were placed on such day, shall be counted toward not to exceed one step increase under the time in grade provisions of subsection (a) of section 701 of the Classification Act of 1949 as amended by this Act.

(11) If the officer or employee, immediately prior to the first day of the first pay period which began on or after the date of enactment of this Act, is receiving, pursuant to paragraph (4) of section 2(b) of the Federal Employees Salary Increase Act of 1955, an existing aggregate rate of compensation determined under section 208(b) of the Act of September 1, 1954 (68 Stat. 1111; Public Law 763, Eighty-third Congress), plus the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, by section 2 of the Federal Employees Salary Increase Act of 1958, and by section 112 of the Federal Employees Salary Increase Act of 1960, he shall receive an aggregate rate of compensation equal to the sum of (A) his existing aggregate rate of compensation determined under such section 208(b) of the Act of September 1, 1954, (B) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, (C) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1958, (D) the amount of the increase provided by section 112 of the Federal Employees Salary Increase Act of 1960, and (E) the amount of the increase made by this section in the maximum rate of his grade, until (i) he leaves his position, or (ii) he is entitled to receive aggregate compensation at a higher rate by reason of the operation of this Act or any other provision of law; but, when such position becomes vacant, the aggregate rate of compensation of any subsequent appointee thereto shall be fixed in accordance with applicable provisions of law. Subject to clauses (i) and (ii) of the immediately preceding sentence of this paragraph, the amount of the increase provided by this section shall be held and considered for the purpose of section 208(b) of such Act of September 1, 1954, to constitute a part of the existing rate of compensation of such employee.

(c) The rates of basic compensation of officers and employees to whom Compensation Schedule II of the General Schedule set forth in subsection (a) of this section applies shall be initially adjusted, effective as of the first day of the first pay period beginning on or after January 1, 1964, as follows:

(1) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after January 1, 1964, at one of

the rates of a grade in the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding rate in effect on and after such date.

(2) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after January 1, 1964, at a rate between two rates of a grade in the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the higher of the two corresponding rates in effect on and after such date.

(3) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after January 1, 1964, at a rate in excess of the maximum rate for his grade, as in effect on and after such date, he shall receive (A) the rate of the new schedule prescribed for employees at the maximum rate for his grade, or (B) his existing rate of basic compensation if such existing rate is higher.

(4) If the officer or employee, immediately prior to the first day of the first pay period which begins on or after January 1, 1964, is receiving, pursuant to paragraph (4) of section 2(b) of the Federal Employees Salary Increase Act of 1955, an existing aggregate rate of compensation determined under section 208(b) of the Act of September 1, 1954 (68 Stat. 1111; Public Law 763, Eighty-third Congress), plus the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, by section 2 of the Federal Employees Salary Increase Act of 1958, and by section 112 of the Federal Employees Salary Increase Act of 1960, and the amount of the initial increase provided by this section, he shall receive an aggregate rate of compensation equal to the sum of (A) his existing aggregate rate of compensation determined under such section 208(b) of the Act of September 1, 1954, (B) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, (C) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1958, (D) the amount of the increase provided by section 112 of the Federal Employees Salary Increase Act of 1960, and (E) the amount of the increase made by this section in the maximum rate of his grade, until (i) he leaves his position, or (ii) he is entitled to receive aggregate compensation at a higher rate by reason of the operation of this Act or any other provision of law; but, when such position becomes vacant, the aggregate rate of compensation of any subsequent appointee thereto shall be fixed in accordance with applicable provisions of law. Subject to clauses (i) and (ii) of the immediately preceding sentence of this paragraph, the amount of the increase provided by this section shall be held and considered for the purpose of section 208(b) of such Act of September 1, 1954, to constitute a part of the existing rate of compensation of such employee.

Step-Increases

SEC. 603. Title VII of the Classification Act of 1949, as amended (5 U.S.C. 1121–1125), relating to step-increases under such Act, is amended to read as follows:

"Title VII—Step Increases

"SEC. 701. (a) Each officer or employee compensated on a per annum basis, and occupying a permanent position within the scope of the compensation schedules fixed by this Act, who has not attained the maximum rate of compensation for the grade in which his position is placed, shall be advanced in compensation successively to the next higher rate within the grade at the beginning of the next pay period following the completion of (1) each fifty-two calendar weeks of service in salary rates 1, 2, and 3, or (2) each one hundred and four calendar weeks of service in salary rates 4, 5, and 6, or (3) each one hundred and fifty-six calendar weeks of service in salary rates 7, 8, and 9, subject to the following conditions:

"(A) That no equivalent increase in compensation from any cause was received during such period;

"(B) That his work is of an acceptable level of competence as determined by the head of the department; and

"(C) That the benefit of successive step-increases shall be preserved, under regulations issued by the Commission, for officers and employees whose continuous service is interrupted in the public interest by service with the Armed Forces or by service in essential non-Government civilian employment during a period of war or national emergency.

"(b) Any increase in compensation granted by laws shall not be construed to be an equivalent increase in compensation within the meaning of subsection (a).

"SEC. 702. (a) Within the limit of available appropriations and in accordance with regulations prescribed by the Commission, the head of each department is authorized to grant additional step-increases in recognition of high quality performance above that ordinarily found in the type of position concerned. Step-increases under this section shall be in addition to those under section 701 and shall not be construed to be an equivalent increase in compensation within the meaning of subsection (a) of section 701.

"(b) No officer or employee shall be eligible under this section for more than one such additional step-increase within any period of fifty-two weeks.

"SEC. 703. This title shall not apply to the compensation of persons appointed by the President, by and with the advice and consent of the Senate."

General Compensation Rules

SEC. 604. (a) Section 802(b) of the Classification Act of 1949, as amended (5 U.S.C. 1132(b)), relating to the salary to be received by an officer or employee who is promoted or transferred to a higher grade, is amended to read as follows:

"(b) Any officer or employee who is promoted or transferred to a position in a higher grade shall receive basic compensation at the lowest rate of such higher grade which exceeds his existing rate of basic compensation by not less than two step-increases of the grade from which he is promoted or transferred. If, in the case of any officer or employee so promoted or transferred who is receiving basic compensation at a rate in excess of the maximum rate for his grade under any provision of law, there is no rate in such higher grade which is at least two step-increases above his existing rate of basic compensation, he shall receive (1) the maximum rate of such higher grade, or (2) his existing rate of basic compensation, if such existing rate is the higher. In case any such officer or employee so promoted or transferred is receiving basic compensation at a rate saved to him under section 507 of this Act upon reduction in grade, such officer or employee shall receive (A) basic compensation at a rate two steps above the rate which he would be receiving if such section 507 were not applicable in his case, or (B) his existing rate of basic compensation, if such existing rate is the higher."

(b) Section 802 of such Act is amended by adding at the end thereof a new subsection to read as follows:

"(d) The Commission may issue regulations governing the retention of the rate of basic compensation of an employee who together with his position is brought under this Act. If any such employee so entitled to receive a retained rate under regulations issued pursuant to this subsection is later demoted to a position under this Act, his rate of basic compensation shall be determined in accordance with section 507 of this Act, except that service in the position which was brought under the Act shall, for purposes of section 507, be considered as service under this Act.".

(c) Section 803 of the Classification Act of 1949, as amended (5 U.S.C. 1133), is amended to read as follows:

"SEC. 803. Each employee in a position under this Act, who regularly has responsibility for supervision (including supervision over the technical aspects of the work concerned) over employees whose compensation is fixed and adjusted from time to time by wage boards or similar administrative authorities as nearly as is consistent with the public interest in accordance with prevailing rates, may, in accordance with regulations issued by the Commission, be paid at one of the scheduled rates for his grade which is above the highest rate of basic compensation being paid to any such prevailing-rate employee regularly supervised, or at the maximum rate for his grade, as provided for in such regulations".

Salary Retention

SEC. 605. Section 507 of the Classification Act of 1949, as amended (72 Stat. 830; 5 U.S.C. 1107), is amended—

(1) by striking out "(other than grade 16, 17, or 18 of the General Schedule)" in paragraph (1) of subsection (a) of such section; and

(2) by striking out "(B) in the same grade or in the same and higher grades;" in paragraph (4) of subsection (a) of such section; and by inserting in lieu thereof "(B) in any grade or grades higher than the grade to which demoted;".

Top Grade Positions Under Classification Act of 1949

SEC. 606. (a) Section 505(b) of the Classification Act of 1949, as amended (5 U.S.C. 1105(b)), relating to the limitation on numbers of positions in grades 16, 17, and 18 of the General Schedule of such Act, is amended by striking out "not to exceed an aggregate of nineteen hundred and eighty-nine" and substituting in lieu thereof "not to exceed an aggregate of twenty-four hundred, in addition to any professional engineering positions primarily concerned with research and development and professional positions in the physical and natural sciences and medicine which may be placed in such grades".

(b) Section 505(j) of such Act is amended by inserting after the word "positions" the following: "(in addition to any professional engineering positions primarily concerned with research and development and professional positions in the physical and natural sciences and medicine which may be placed in such grades)".

(c) Section 505 of such Act is further amended by inserting after subsection (j) the following new subsections:

"(k) The Attorney General is authorized, without regard to any other provision of this section, to place a total of ten positions of Warden in the Bureau of Prisons in grade 16 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grade by subsection (b).

"(l) The Attorney General is authorized, without regard to any other provision of this section, to place a total of eight positions of Member of the Board of Parole in grade 17 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grade by subsection (b)."

Conforming Changes in Existing Law

SEC. 607. (a) The following provisions of law are hereby repealed:

(1) Section 104 of the Department of Commerce and Related Agencies Apropriation Act, 1956 (69 Stat. 234; 5 U.S.C. 592 (d)), authorizing grade 17 of the General Schedule of the Classification Act of 1949 for the position of Budget Officer of the Department of Commerce so long as the position is held by the present incumbent.

(2) Section 206 of the Public Works Appropriation Act, 1956 (69 Stat. 360; 5 U.S.C. 483–2), authorizing the Secretary of the Interior to place the position of Director, Division of Budget and Finance, in grade 17 of the General Schedule established by the Classification Act of 1949 so long as the position is held by the present incumbent.

(3) The second paragraph under the heading "Administrative Provisions" in title III of the Public Works Appropriation Act, 1956 (69 Stat. 364; 10 U.S.C. 1335, note), authorizing the Chief of Engineers to place the position of Chief of the Programs Branch, Office of the Assistant Chief of Engineers for Civil Works, in grade 17 of the General Schedule established by the Classification Act of 1949 so long as the position is held by the present incumbent.

(4) Section 24(d) of the Area Redevelopment Act (75 Stat. 62; 42 U.S.C. 2521(d)), authorizing five positions in grades 16, 17, and 18 of the General Schedule established by the Classification Act of 1949 for agencies performing functions under that Act.

(5) The fourth sentence of section 3(a) of the Fish and Wildlife Act of 1956 (70 Stat. 1120; U.S.C. 742b(a)), relating to the annual salary of the Commissioner of Fish and Wildlife in the Department of the Interior, which reads: "He shall receive compensation at the same rate as that provided for grade GS–18."

(6) That part of section 207 of the Agricultural Act of 1956 (70 Stat. 200; 7 U.S.C. 1857), relating to the annual salary of an agricultural surplus disposal administrator in the Department of Agriculture, which reads: ", at a salary rate of not exceeding $15,000 per annum,".

(7) Section 1102 of the Classification Act of 1949, as amended (63 Stat. 971; 5 U.S.C. 1073), relating to the submission of reports with respect to the rates of compensation under, and the administration of, such Act.

(b) The second proviso of the paragraph under the heading "FEDERAL PRISON SYSTEM" and under the subheading "SALARIES AND EXPENSES, BUREAU OF PRISONS" in title II (the Department of Justice Appropriation Act, 1956) of the Departments of State and Justice, the Judiciary, and Related Agencies Appropriations Act, 1956 (69 Stat. 273; Public Law 133, Eighty-fourth Congress; 5 U.S.C. 298a) is amended by striking out "three positions" and inserting in lieu thereof "one position".

SEC. 608. (a) Each position specifically referred to in, or covered by, any repeal made by section 607(a) of this title shall be placed in the appropriate grade of the General Schedule of the Classification Act of 1949, as amended, in accordance with the provisions of such Act.

(b) Positions in grade 16, 17, or 18 as the case may be, of the General Schedule of the Classification Act of 1949, as amended, immediately prior to the effective date of this section, shall remain, on and after such effective date, in their respective grades, until appropriate action is taken under section 505 of the Classification Act of 1949 as in effect on and after such effective date.

Savings Provisions

SEC. 609. (a) The changes in existing law made by this title shall not affect any position existing immediately prior to the effective date of any such changes in existing law, the compensation attached to such position, and any incumbent thereof, his appointment thereto, and his entitlement to receive the compensation attached thereto, until appropriate action is taken in accordance with this title.

(b) The incumbent of each such position immediately prior to the effective date of this title shall continue to receive the rate of basic compensation which he was receiving immediately prior to such effective date until he leaves such position or until he is entitled to receive compensation at a higher rate in accordance with law. When such incumbent leaves such position, the rate of basic compensation of each subsequent appointee to such position shall be determined in accordance with the Classification Act of 1949, as amended.

Effective Dates

SEC. 610. Except as otherwise expressly provided in this title, the provisions of this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

Title III—Postal field service employees

Short Title

SEC. 701. This title may be cited as the "Postal Employees Salary Adjustment Act of 1962".

Postal Field Service Schedules

SEC. 702. Subsection (a) of section 3542 of title 39, United States Code, is amended to read as follows:

"(a) There are established basic compensation schedules for positions in the postal field service which shall be known as the Postal Field Service Schedules and for which the symbol shall be 'PFS'. Each such schedule shall be in effect for the period specified with respect to such schedule. Except as provided in sections 3543 and 3544 of this title, basic compensation shall be paid to all employees in accordance with these schedules.

"POSTAL FIELD SERVICE SCHEDULE I

"(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act, and ending immediately prior to the applicable initial effective date of the second PFS schedule set forth below)

"PFS	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
1	$3,595	$3,725	$3,855	$3,985	$4,115	$4,245	$4,375	$4,505	$4,635	$4,765	$4,895	$5,025
2	3,905	4,040	4,175	4,310	4,445	4,580	4,715	4,850	4,985	5,120	5,255	5,390
3	4,230	4,375	4,520	4,665	4,810	4,955	5,100	5,245	5,390	5,535	5,680	5,825
4	4,565	4,725	4,885	5,045	6,205	5,365	5,525	5,685	5,845	6,005	6,165	6,325
5	4,965	5,130	5,295	5,460	5,625	5,790	5,955	6,120	6,285	6,450	6,615	6,780
6	5,365	5,545	5,725	5,905	6,085	6,265	6,445	6,625	6,805	6,985	7,165	7,345
7	5,805	6,000	6,195	6,390	6,585	6,780	6,975	7,170	7,365	7,560		
8	6,285	6,495	6,705	6,915	7,125	7,335	7,545	7,755	7,965	8,175		
9	6,805	7,030	7,255	7,480	7,705	7,930	8,155	8,380	8,605	8,830		
10	7,395	7,640	7,885	8,130	8,375	8,620	8,865	9,110	9,355	9,600		
11	8,045	8,310	8,575	8,840	9,105	9,370	9,635	9,900	10,165			
12	8,840	9,135	9,430	9,725	10,020	10,315	10,610	10,905	11,200			
13	9,725	10,050	10,375	10,700	11,025	11,350	11,675	12,000	12,325			
14	10,705	11,060	11,415	11,770	12,125	12,480	12,835	13,190	13,545			
15	11,780	12,170	12,560	12,950	13,340	13,730	14,120	14,510	14,900			
16	12,955	13,385	13,815	14,245	14,675	15,105	15,535	15,965				
17	14,260	14,730	15,200	15,670	16,140	16,610	17,080	17,550				
18	15,500	16,000	16,500	17,000	17,500	18,000	18,500					
19	16,750	17,250	17,750	18,250	18,750	19,250						
20	18,000	18,500	19,000	19,500								

"POSTAL FIELD SERVICE SCHEDULE II

"(To be effective on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

"PFS	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
1	$3,690	$3,820	$3,950	$4,080	$4,210	$4,340	$4,470	$4,600	$4,730	$4,860	$4,990	$5,120
2	4,010	4,145	4,280	4,415	4,550	4,685	4,820	4,955	5,090	5,225	5,360	5,495
3	4,345	4,490	4,635	4,780	4,925	5,070	5,215	5,360	5,505	5,650	5,795	5,940
4	4,690	4,850	5,010	5,170	5,330	5,490	5,650	5,810	5,970	6,130	6,290	6,450
5	5,085	5,255	5,425	5,595	5,765	5,935	6,105	6,275	6,445	6,615	6,785	6,955
6	5,500	5,685	5,870	6,055	6,240	6,425	6,610	6,795	6,980	7,165	7,350	7,535
7	5,950	6,150	6,350	6,550	6,750	6,950	7,150	7,350	7,550	7,750	----------	----------
8	6,440	6,655	6,870	7,085	7,300	7,515	7,730	7,945	8,160	8,375	----------	----------
9	6,965	7,200	7,435	7,670	7,905	8,140	8,375	8,610	8,845	9,080	----------	----------
10	7,650	7,900	8,150	8,400	8,650	8,900	9,150	9,400	9,650	9,900	----------	----------
11	8,410	8,690	8,970	9,250	9,530	9,810	10,090	10,370	10,650	----------	----------	----------
12	9,270	9,575	9,880	10,185	10,490	10,795	11,100	11,405	11,710	----------	----------	----------
13	10,210	10,545	10,880	11,215	11,550	11,885	12,220	12,555	12,890	----------	----------	----------
14	11,240	11,610	11,980	12,350	12,720	13,090	13,460	13,830	14,200	----------	----------	----------
15	12,370	12,780	13,190	13,600	14,010	14,420	14,830	15,240	15,650	----------	----------	----------
16	13,625	14,075	14,525	14,975	15,425	15,875	16,325	16,775	----------	----------	----------	----------
17	15,000	15,495	15,990	16,485	16,980	17,475	17,970	18,465	----------	----------	----------	----------
18	15,500	16,000	16,500	17,500	17,400	18,000	18,500	----------	----------	----------	----------	----------
19	16,750	17,250	17,750	18,250	18,750	19,250	----------	----------	----------	----------	----------	----------
20	18,000	18,500	19,000	19,500	----------	----------	----------	----------	----------	----------	----------	----------

"

Rural Carrier Schedules

SEC. 703. (a) Section 3543(a) of title 39, United States Code, is amended to read as follows:

"(a) There are established basic compensation schedules which shall be known as the Rural Carrier Schedules, and for which the symbol shall be 'RCS'. Each such schedule shall be in effect for the period specified with respect to such schedule.

"RURAL CARRIER SCHEDULE I

"(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act, and ending immediately prior to the applicable initial effective date of the second RCS Schedule set forth below)

	"Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
Carriers in rural delivery service:												
Fixed compensation per annum	$2,027	$2,127	$2,227	$2,327	$2,427	$2,527	$2,627	$2,727	$2,827	$2,927	$3,027	$3,127
Compensation per mile per annum for each mile up to 30 miles of route	75	77	79	81	83	85	87	89	91	93	95	97
For each mile of route over 30 miles	24	24	24	24	24	24	24	24	24	24	24	24

"RURAL CARRIER SCHEDULE II

"(To be effective for the period beginning on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

	"Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	11	11	12
Carriers in rural delivery service:												
Fixed compensation per annum	$2,080	$2,180	$2,280	$2,380	$2,480	$2,580	$2,680	$2,780	$2,880	$2,980	$3,080	$3,180
Compensation per mile per annum for each mile up to 30 miles of route	77	79	81	83	85	87	89	91	93	95	97	99
For each mile of route over 30 miles	25	25	25	25	25	25	25	25	25	25	25	25"

(b) Section 3543(c) of title 39, United States Code, is amended to read as follows:

"(c) The Postmaster General may pay such additional compensation as he may determine to be fair and reasonable in each individual case to rural carriers serving heavily patronized routes."

(b) The first sentence of section 3543(f) of title 39, United States Code, is amended to read as follows: "In addition to the compensation provided in the Rural Carrier Schedule, each rural carrier shall be paid for equipment maintenance a sum equal to—

"(1) 12 cents per mile for each mile or major fraction of a mile scheduled, or

"(2) $4.20 per day, whichever is greater."

(c) Section 3543 of title 39, United States Code, is amended by adding thereto new subsections (i) and (j) as follows:

"(i) Each person serving as a substitute of record on the effective date of this subsection shall be placed in step 2 of the Rural Carrier Schedule and he shall be advanced by step-increases, on the basis of time on the rolls prior to the effective date, in accordance with the schedule of step-increases provided in section 3552, except that no such person shall be so advanced to a step higher than the step to which a regular carrier with the same length of service would have advanced prior to such effective date. Thereafter, he shall be advanced by step-increases, pursuant to the provisions of sections 3552 and 3553 of this title. On and after the effective date of this subsection,' each substitute rural carrier shall be paid the daily rate, based on the step attained by him, for the route on which service is performed.

"(j) Each temporary rural carrier who, on the effective date of this subsection, is serving on a vacant route pending the appointment of a regular rural carrier shall be placed in step 2 and shall be advanced by step-increases on the basis of any prior substitute or temporary rural carrier service in accordance with the schedule of step-increases provided in section 3552."

Fourth Class Office Schedules

SEC. 704. (a) Section 3544(a) of title 39, United States Code, is amended to read as follows:

"(a) There are established basic compensation schedules which shall be known as the Fourth Class Office Schedules, and for which the symbol shall be 'FOS', for postmasters in post offices of the fourth class. Each such schedule shall be in effect for the period specified with respect to such schedule. Each such schedule is based upon the gross postal receipts as contained in returns of the post office for the calendar year immediately preceding. Basic compensation shall be paid to postmasters in post offices of the fourth class in accordance with these schedules.

"FOURTH CLASS OFFICE SCHEDULE I

"(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act and ending immediately prior to the applicable initial effective date of the second FOS schedule set forth below)

"Gross receipts	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
$1,300 to $1,499.99	$3,277	$3,386	$3,495	$3,604	$3,713	$3,822	$3,931	$4,040	$4,149	$4,258	$4,367	$4,476
$900 to $1,299.99	3,003	3,102	3,201	3,300	3,399	3,498	3,597	3,696	3,795	3,894	3,993	4,092
$600 to $899.99	2,457	2,540	2,623	2,706	2,789	2,872	2,955	3,038	3,121	3,204	3,287	3,370
$350 to $599.99	1,911	1,973	2,035	2,097	2,159	2,221	2,283	2,345	2,407	2,469	2,531	2,593
$250 to $349.99	1,366	1,410	1,454	1,498	1,542	1,586	1,630	1,674	1,718	1,762	1,806	1,850
$200 to $249.99	1,092	1,128	1,164	1,200	1,236	1,272	1,308	1,344	1,380	1,416	1,452	1,488
$100 to $199.99	820	846	872	898	924	950	976	1,002	1,028	1,054	1,080	1,106
Under $100	545	562	579	596	613	630	647	664	681	698	715	732

"FOURTH CLASS OFFICE SCHEDULE II

"(To be effective on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

"Gross receipts	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
$1,300 to $1,499.99	$3,426	$3,540	$3,654	$3,768	$3,882	$3,996	$4,110	$4,224	$4,338	$4,452	$4,566	$4,680
$900 to $1,299.99	3,140	3,243	3,346	3,449	3,552	3,655	3,758	3,861	3,964	4,067	4,170	4,273
$600 to $899.99	2,569	2,655	2,741	2,827	2,913	2,999	3,085	3,171	3,257	3,343	3,429	3,515
$350 to $599.99	1,998	2,063	2,128	2,193	2,258	2,323	2,388	2,453	2,518	2,583	2,648	2,713
$250 to $349.99	1,428	1,474	1,520	1,566	1,612	1,658	1,704	1,750	1,796	1,842	1,888	1,934
$200 to $249.99	1,142	1,179	1,216	1,253	1,290	1,327	1,364	1,401	1,438	1,475	1,512	1,549
$100 to $199.99	867	884	911	938	965	992	1,019	1,046	1,073	1,111	1,127	1,154
Under $100	569	588	607	626	645	664	683	702	721	740	759	778".

(b) Section 3544(b) of title 39, United States Code, is amended to read as follows:

"(b) The basic salary of postmasters in fourth-class post offices shall be readjusted for changes in gross receipts at the start of the first pay period after the beginning of each fiscal year. When a post office is restored to a gross receipts category held by it prior to relegation to a lower gross receipts category, the postmaster's basic salary shall be adjusted to the highest salary step held by him when the post office was in the higher gross receipts category. In all other cases in adjusting a postmaster's basic salary under this section, the basic salary shall be fixed at the lowest step which is higher than the basic salary received by the postmaster at the end of the preceding fiscal year. If there is no such step the basic salary shall be fixed at the highest step for the adjusted gross receipts of the office. Each increase in basic salary because of change in gross receipts shall be deemed the equivalent of a step-increase under section 3552 of this title and the waiting period, for purposes of advancement to the next step, shall begin on the date of adjustment."

SEC. 705. Section 3552 of title 39, United States Code, is amended to read as follows:

"§ 3552. Automatic advancement by step increases

"(a)(1) Each employee in levels 1 through 6 of the Postal Field Service Schedule, each employee subject to the Rural Carrier Schedule, and each employee subject to the Fourth Class Office Schedule, who has not reached the highest step for his position, shall be advanced successively to the next higher step as follows:

"(A) To steps 2, 3, 4, 5, 6, and 7—at the beginning of the first pay period following the completion of fifty-two calendar weeks of satisfactory service; and

"(B) To steps 8 and above—at the beginning of the first pay period following the completion of one hundred and fifty-six calendar weeks of satisfactory service.

"(2) Each employee in the postal field service in level 7 or above of the Postal Field Service Schedule, who has not reached the highest step for his position, shall be advanced successively to the next higher step, as follows:

"(A) To steps 2, 3, and 4—at the beginning of the first pay period following the completion of fifty-two calendar weeks of satisfactory service;

"(B) To steps 5, 6, and 7—at the beginning of the first pay period following the completion of one hundred and four calendar weeks of satisfactory service; and

"(C) To steps 8 and above—at the beginning of the first pay period following the completion of one hundred and fifty-six calendar weeks of satisfactory service.

"(3) The receipt of an equivalent increase during any of the waiting periods specified in this subsection shall cause a new full waiting period to commence for further step-increases.

"(b) Any increase in basic compensation granted by law on or after the date of enactment of the Postal Employees Salary Adjustment Act of 1962, to employees in the postal field service shall not be deemed to be an equivalent increase in basic compensation within the meaning of subsection (a) of this section.

"(c) The benefit of successive step-increases shall be preserved, under regulations prescribed by the Postmaster General, for employees whose continuous service is interrupted by service in the armed services."

SEC. 706. Section 3554 of title 39, United States Code, is amended to read as follows:

"§ 3554. Compensation of certain temporary employees

"Temporary employees hired for a continuous period of one year or less for a position in the postal field service shall be paid basic compensation at the entrance step of the position to which they are appointed.".

SEC. 707. Section 3559 of title 39, United States Code, is amended to read as follows:

"§ 3559. Promotions

"An employee who is promoted to a position in the Postal Field Service Schedule which is not more than two salary levels above the salary level of the position from which promoted shall be paid basic compensation at the lowest step of the higher salary level which exceeds his existing basic compensation by not less than two steps of the salary level from which promoted. An employee who is promoted to a position in the Postal Field Service Schedule which is more than two salary levels above the level of the position from which promoted shall be paid basic compensation at the lowest step of the higher salary level which exceeds his existing basic compensation by not less than three steps of the salary level from which promoted. If there is no step in the salary level to which the employee is promoted which exceeds his existing basic compensation by at least the amount of the specified difference, the employee shall be paid the rate for the maximum step of the salary level to which promoted, or his existing basic compensation, whichever is higher.".

SEC. 708. Subsection (a)(4) of section 6402 of title 39, United States Code, is amended to read as follows:

"(4) delivery and collection service may not be established or extended under a star route contract on a rural route except when such rural route does not meet the minimum standards established by the Postmaster General, and becomes vacant; and".

SEC. 709. Section 3101 of title 39, United States Code, is amended by deleting paragraphs (5) and (6), and inserting in lieu thereof, the following:

"(5) 'basic salary' and 'basic compensation' mean the rate of annual or hourly compensation specified by law, exclusive of overtime and night differential.".

SEC. 710. Subsection 3541(d) of title 39, United States Code, is amended by (a) inserting in paragraph (3) thereof, after "rural carriers," the phrase "(other than substitute rural carriers,)" and (b) adding a new paragraph (5) as follows:

"(5) To compute the daily rate of basic compensation for substitute rural carriers, the annual rate of compensation shall be divided by 304.".

Conversion As of the First Pay Period Beginning on or After the Date of Enactment of This Act

SEC. 711. (a) The basic compensation of each employee subject to Postal Field Service Schedule I or Rural Carrier Schedule I, as the case may be, on the effective date of such schedule shall be determined as follows:

(1) Each employee shall be assigned to the same numerical level and step he was in prior to the effective date of such schedule, except that employees in the first four levels of the Postal Field Service Schedule and em-

ployees (except employees subject to section 3543(j) of title 39, United States Code) in the Rural Carrier Schedule shall be advanced as follows: Employees in step 1 to step 2 of the new schedule; step 2 to step 3; step 3 to step 4; step 4 to step 5; step 5 to step 6; step 6 to step 7; step 7 to step 8. If changes in level or step would otherwise occur on the effetcive date of such schedule without regard to the enactment of such schedule, such changes shall be deemed to have occurred prior to conversion under this paragraph.

(2) In addition to conversion under paragraph (1) of this subsection, each employee shall be advanced one additional step for each longevity step which he had earned on or prior to such conversion.

(3) Credit toward the next step-increase (other than toward longevity steps) earned by an employee who had not reached step 7 or who is not advanced to step 7 under paragraph (1) prior to the effective date of such schedule shall be creditable under subsection 3552(a) and section 3553 of title 39, United States Code, toward further step-increases if no step-increases were granted pursuant to paragraph (2) of this subsection. Credit earned toward longevity step-increases prior to the effective date of such schedule shall not be creditable toward further step-increases pursuant to subsection 3552(a), and section 3553 of title 39, United States Code.

(b) The basic compensation of each postmaster subject to the Fourth Class Office Schedule I on the effective date of such schedule shall be determined as follows:

(1) Each postmaster shall be assigned to the same receipts category and numerical step he was in prior to the effective date of such schedule. If changes in receipts category or step would otherwise occur on the effective date of such schedule without regard to the enactment of such schedule, such changes in receipts category or step shall be deemed to have occurred prior to conversion.

(2) Postmasters who, as of the effective date of this schedule, have not reached step 7, shall retain credit for advancement to the next step under section 3552(a) and section 3553 of title 39, United States Code, if no step-increases are granted pursuant to paragraph 3 of this subsection. Credit earned toward longevity step-increases prior to the effective date of such schedule shall not be creditable toward further step-increases under section 3552(a) and section 3553 of title 39, United States Code.

(3) For each longevity step earned on or prior to the effective date of such schedule postmasters shall be advanced one step.

(c) If the existing basic compensation of any employee subject to the Postal Field Service Schedule, Rural Carrier Schedule, or Fourth Class Office Schedule, as the case may be, is greater than the rate established by subsection (a) or (b) of this section, he shall be placed in the first step of such schedule which exceeds his existing basic compensation; if the existing basic compensation is greater than any numerical step, his existing basic compensation shall be estabilshed as his basic compensation.

Conversion as the First Pay Period Beginning on or After January 1, 1964

SEC. 712. The basic compensation of each employee subject to the Postal Field Service Schedule II, Rural Carrier Schedule II, or Fourth Class Office Schedule II, as the case may be, on the effective date of such schedule shall be determined as follows:

(1) Each employee shall be assigned to the same numerical step for his position which he had attained prior to the effective date of such schedule. If changes in levels, receipts categories, or steps would otherwise occur on the effective date of such schedule without regard to enactment of such schedule, such changes shall be deemed to have occurred prior to conversion.

(2) If existing basic compensation is greater than the rate to which the employee is converted under paragraph (1) of this section, the employee shall be placed in the lowest step which exceeds his basic compensation; if the existing basic compensation exceeds the maximum step of his position, his existing basic compensation shall be established as his basic compensation.

SEC. 713. Subject to sections 711(c) and 712(2) of this title, rates of compensation fixed by reason of section 3560 of title 39, United States Code, shall not be increased by this title, notwithstanding any provision of such section to the contrary.

Basic Salary in Cases of Assignments of Postal Employees

SEC. 714. (a) Section 333(b) of title 39, United States Code, is amended by adding at the end thereof the following sentence: "The Postmaster General may pay, as he deems advisable, in cases of such assignments, a basic salary computed in accordance with the provisions of such section 3559 without regard to the requirement in this subsection of asignment for more than thirty days in a calendar year.".

(b) Each payment of an increase in basic salary which was made prior to the date of enactment of this section for services performed for periods of thirty days or less in any calendar year in the course of an assignment referred to in section 3335(b) of title 39, United States Code, by a postal field service employee assigned to duties and responsibilities of a higher salary level, and which would have been authorized by such section 3335(b), if such services had been performed in the course of such assignment after the completion by such employee of thirty days of service in any calendar year in such higher salary level, are hereby validated to the same extent as if such services had been performed after the completion of thirty days of service in any calendar year in the course of such assignment. Payments of increases validated by this subsection shall be considered as basic salary for the purposes of the Civil Service Retirement Act (5 U.S.C. 2251–2267).

Salary Protection Revision

SEC. 715. (a) Section 3560(a)(1) of title 39, United States Code, is amended to read as follows:

"(1) basic salary and salary level, with respect to the Postal Field Service Schedule,".

(b) Section 3560(b)(4) to title 39, United States Code, is amended to read as follows:

"(4) who, for two continuous years immediately prior to such reduction in salary standing, served in the postal field service with any salary standing higher than the salary standing to which he is reduced; and".

(c) Section 3560(c) of title 39, United States Code, is amended—

(1) by striking out the period at the end of paragraph (B) and inserting "; or" in lieu of such period, and

(2) by adding at the end of such section 3560(c) the following paragraph:

"(C) the amount of the rate in the lowest salary standing which such employee held during the two years immediately preceding such reduction in salary standing augmented by each step-increase which he would have earned in such salary standing and by each increase provided by law in such salary rate.".

(d)(1) Subject to paragraph (2) of this section, the amendments made by this section to sections 3560(a)(1), 3560(b)(4), and 3560(c) of title 39, United States Code, shall apply only with respect to reductions in salary standing occurring on or after the date of enactment of this Act.

(2) Payments not authorized by section 3560 of title 39, United States Code, which were made prior to the date of enactment of this Act to employees in the postal field service in connection with reductions in salary standing and which would have been authorized under such section 3560 if the amendments made by this section to subsections (b)(4) and (c) of such section 3560 had been in effect at the time such payments were made, are hereby validated to the same extent as if such amendments had been in effect at such time.

Rules for special compensation

SEC. 716. Chapter 41 of title 39, United States Code, is amended by adding immediately following section 3105 a new section 3106 as follows:

"§ 3106. Special compensation rules

"In order that the basic compensation schedules in sections 3542, 3543, and 3544 of this title may be used equitably and with maximum effect to attract and motivate employees, the Postmaster General may prescribe regulations pursuant to which he may, within the limit of available appropriations, grant to any officer or employee before the expiration of the periods prescribed by section 3552, step-increases in recognition of extra competence: *Provided,* That no officer or employee shall be eligible under this section for more than one such additional step-increase within any period of fifty-two weeks, and such increase shall not be considered to be an equivalent increase."

Personnel requirements

SEC. 717. (a) Section 3301 of title 39, United States Code, is amended to read as follows:

"§ 3301. Personnel requirements

"The Postmaster General shall determine the personnel requirements of the postal field service, and fix the number of supervisors and other employees in that service, except that there may not be at any one time more than one assistant postmaster employed at any post office or a total of seventy employees assigned to salary levels 18, 19, and 20 in the postal field service."

(b) Section 1310(a) of the Act of November 1, 1951 (65 Stat. 757), as amended, which fixes a ceiling on permanent employees in the Federal Government, is amended by inserting after the word *"Provided,"* the following: "That increases in the number of permanent personnel in the Postal Field Service not exceeding 10 per centum above the total number of its permanent employees on September 1, 1950, shall not be chargeable to this limitation: *And provided further,".*

Conforming amendment

SEC. 718. (a) The table of contents of chapter 41 of title 39, United States Code, is amended by adding after the heading entitled "EMPLOYEES GENERALLY", the following:

"3106. Special compensation rules".

(b) The table of contents of chapter 45 of title 39, United States Code, is amended by deleting "3558. Longevity step-increases".

Repeals

SEC. 719. Sections 101 through 105 of the Act of July 1, 1960 (74 Stat. 296, Public Law 86–568), and section 3558 of title 39, United States Code, are repealed.

Effective Dates

SEC. 720. Except as otherwise expressly provided in this title, the provisions of this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act, except that section 712 (conversion rules for second postal field service salary increases) shall become effective on the first day of the first pay period which begins on or after January 1, 1964.

Title IV—Department of Medicine and Surgery in the Veterans' Administration

SEC. 801. (a) Section 4103 of title 38 of the United States Code, relating to the appointment and annual salaries of the Chief Medical Director and certain other officers of the Department of Medicine and Surgery of the Veterans' Administration, is amended by striking out the words "not to exceed eight

Assistant Chief Medical Directors" in subsection (a) and inserting in lieu thereof the words "not to exceed five Assistant Chief Medical Directors, such Medical Directors as may be designated to suit the needs of the Department,".

(b) Such section in further amended by striking out subsections (d) to (i), inclusive, and inserting in lieu thereof the following:

"(d) Each Assistant Chief Medical Director shall be appointed by the Administrator upon the recommendation of the Chief Medical Director and shall be paid a salary of $20,000 a year.

"One Assistant Chief Medical Director shall be a qualified doctor of dental surgery or dental medicine who shall be directly responsible to the Chief Medical Director for the operations of the Dental Service.

"(e) Medical Directors, during their period of service as such, shall be paid a salary of $18,500 minimum to $19,500 maximum a year.

"(f) The Director of Nursing Service shall be a qualified registered nurse, appointed by the Administrator, and shall be responsible to the Chief Medical Director for the operation of the Nursing Service. During the period of service as such, the Director of Nursing Service shall be paid, effective on the first day of the first pay period beginning on or after—

"the date of enactment of the Federal Salary Reform Act of 1962, a salary of $14,565 minimum to $17,925 maximum a year;

"January 1, 1964, a salary of $15,665 minimum to $19,270 maximum a year.

"(g) The Administrator may appoint a chief pharmacist and a chief dietitian. During the period of his service as such, the chief pharmacist and the chief dietitian shall be paid, effective on the first day of the first pay period beginning on or after—

"the date of enactment of the Federal Salary Reform Act of 1962, a salary of $14,565 minimum to $17,925 maximum a year;

"January 1, 1964, a salary of $15,665 minimum to $19,270 maximum a year.

"(h) Except as provided in subsection (j), any appointment under this section shall be for a period of four years but persons so appointed shall be subject to removal by the Administrator for cause.

"(i) Reappointments may be made for successive like periods.

"(j) The Administrator may designate a member of the Chaplain Service of the Veterans' Administration as Director, Chaplain Service, for a period of two years, subject to removal by the Administrator for cause. During the period that any such member serves as Director, Chaplain Service, he shall be paid a salary, as determined by the Administrator, within the minimum and maximum salary limitations prescribed for grade GS–15 positions by the Classification Act of 1949, as amended. Redesignations under this subsection may be made for successive like periods. An individual designated as Director, Chaplain Service, shall at the end of his period of service as Director revert to the position, grade, and status which he held immediately prior to being designated Director, Chaplain Service, and all service as Director, Chaplain Service, shall be creditable as service in the former position."

Physicians, Dentists, and Nurses

SEC. 802. Section 4107 of such title 38 relating to the minimum and maximum rates of annual salary of certain physicians, dentists, and nurses of the Department of Medicine and Surgery of the Veterans' Administration is amended to read as follows:

"§ 4107. Grades and pay scales

"(a)(1) Effective on the first day of the first pay period beginning on or after the date of enactment of the Federal Salary Reform Act of 1962, the grades and per annum full-pay ranges for positions provided in paragraph (1) of section 4104 of this title shall be as follows:

"Physician and Dentist Schedule

"Director grade, $16,000 minimum to $19,000 maximum.

"Executive grade, $15,250 minimum to $18,750 maximum.

"Chief grade, $14,565 minimum to $18,405 maximum.

"Senior grade, $12,845 minimum to $16,245 maximum.

"Intermediate grade, $11,150 minimum to $14,070 maximum.

"Full grade, $9,475 minimum to $11,995 maximum.

"Associate grade, $8,045 minimum to $10,165 maximum.

"Nurse Schedule

"Assistant Director grade, $12,845 minimum to $16,245 maximum.

"Chief grade, $11,150 minimum to $14,070 maximum.

"Senior grade, $9,475 minimum to $11,995 maximum.

"Intermediate grade, $8,045 minimum to $10,165 maximum.

"Full grade, $6,675 minimum to $8,700 maximum.

"Associate grade, $5,820 minimum to $7,575 maximum.

Junior grade, $5,035 minimum to $6,565 maximum.

"(2) Effective on the first day of the first pay period beginning on or after January 1, 1964, the per annum full pay ranges for positions provided in paragraph (1) of section 4104 of this title shall be as follows:

"Physician and Dentist Schedule

"Chief grade, $15,665 minimum to $19,785 maximum.

"Senior grade, $13,615 minimum to $17,215 maximum.

"Intermediate grade, $11,725 minimum to $14,805 maximum.

"Full grade, $9,980 minimum to $12,620 maximum.

"Associate grade, $8,410 minimum to $10,650 maximum.

"Nurse Schedule

"Assistant director grade, $13,615 minimum to $17,215 maximum.

"Chief grade, $11,725 minimum to $14,805 maximum.

"Senior grade, $9,980 minimum to $12,620 maximum.

"Intermediate grade, $8,410 minimum to $10,650 maximum.

"Full grade, $7,030 minimum to $9,100 maximum.

"Associate grade, $6,090 minimum to $7,890 maximum.

"Junior grade, $5,235 minimum to $6,810 maximum.

"(b) No person may hold the director grade unless he is serving as a director of a hospital, domiciliary, center, or outpatient clinic (independent). No person may hold the executive grade unless he holds the position of chief of staff at a hospital, center, or outpatient clinic (independent), or the position of clinic director at an outpatient clinic, or comparable position."

SEC. 803. (a) Section 4108 of such title 38 which formerly prescribed the maximum amount of pay and allowances for medical, surgical, or dental specialists of the Department of Medicine and Surgery of the Veterans' Administration is amended, effective on the date of enactment of this Act, to read as follows:

"§ 4108. Administration

"Notwithstanding any law, Executive order, or regulation, the Administrator shall prescribe by regulation the hours and conditions of employment and leaves of absence of physicians, dentists, and nurses.".

(b) The table of contents of chapter 73 of such title 38 is amended by striking out

"4108. Specialist ratings."

and inserting in lieu thereof

"4108. Administration."

Directors of Hospitals, Domiciliaries, and Centers

SEC. 804. Section 4111(b) of such title 38, relating to the annual salary of certain individuals serving as director of a hospital, domiciliary, or center, is amended, effective on the date of enactment of this Act, to read as follows:

"(b) Notwithstanding any other provision of law, the per annum salary rate of each individual serving as a director of a hospital, domiciliary, or center who is not a physician in the medical service shall not be less than the rate of salary which he would receive under section 4107 of this title if his service as a director of a hospital, domiciliary, or center had been service as a physician in the director grade. This subsection shall not affect the allocation of any position of director of a hospital, domiciliary, or center to any grade of the General Schedule of the Classification Act of 1949, except with respect to changes in rate of salary pursuant to the preceding sentence, and shall not affect the applicability of the Performance Rating Act of 1950 to any individual."

SEC. 805. Except as otherwise expressly provided in this title, this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

Title V—Foreign Service Act of 1946

Short Title

SEC. 901. This title may be cited as the "Foreign Service Salary Reform Act of 1962".

Foreign Service Officers

SEC. 902. The fourth sentence of section 412 of the Foreign Service Act of 1946, as amended (22 U.S.C. 867), is amended to read as follows:

"On the first day of the first pay period which begins on or after the date of enactment of the Foreign Service Salary Reform Act of 1962, the per annum salaries of Foreign Service officers within each of the other classes shall be as follows:

"Class 1	$18,975	$19,650					
Class 2	15,900	16,400	$16,900	$17,400	$17,900	$18,400	$18,900
Class 3	13,440	13,885	14,330	14,775	15,220	15,665	16,110
Class 4	11,150	11,515	11,880	12,245	12,610	12,975	13,340
Class 5	9,315	9,620	9,925	10,230	10,535	10,840	11,145
Class 6	7,705	7,960	8,215	8,470	8,725	8,980	9,235
Class 7	6,475	6,690	6,905	7,120	7,335	7,550	7,765
Class 8	5,540	5,725	5,910	6,095	6,280	6,465	6,650

"On the first day of the first pay period which begins on or after January 1, 1964, the per annum salaries of Foreign Service officers within each of the other classes shall be as follows:

"Class 1	$18,975	$19,650					
Class 2	15,900	16,400	$11,900	$17,400	$17,900	$18,400	$18,900
Class 3	14,265	14,735	15,205	15,675	16,145	16,615	17,085
Class 4	11,725	12,110	12,495	12,880	12,265	13,650	14,035
Class 5	9,695	10,015	10,335	10,655	10,975	11,295	11,615
Class 6	8,090	8,355	8,620	8,885	9,150	9,415	9,680
Class 7	6,810	7,035	7,260	7,485	7,710	7,935	8,160
Class 8	5,795	5,990	6,185	6,380	6,575	6,770	6,965"

Foreign Service Staff Officers and Employees

SEC. 903. Section 415 of such Act is amended to read as follows:

"SEC. 415. (a) Effective on the first day of the first pay period which begins on or after the date of enactment of the Foreign Service Salary Reform Act of 1962, there shall be ten classes of Foreign Service staff officers and employees, referred to hereafter as staff officers and employees, and the per annum salaries of staff officers and employees within each class shall be as follows:

"Class 1	$13,440	$13,885	$14,330	$14,775	$15,220	$15,665	$16,110	$16,555	$17,000	
Class 2	11,150	11,515	11,880	12,245	12,610	12,795	13,340	13,705	14,070	
Class 3	9,315	9,620	9,925	10,230	10,535	10,840	11,145	11,450	11,755	
Class 4	7,705	7,960	8,215	8,470	8,725	8,980	9,235	9,490	9,745	
Class 5	6,910	7,140	7,370	7,600	7,830	8,060	8,290	8,520	8,750	$8,980
Class 6	6,225	6,435	6,645	6,855	7,065	7,275	7,485	7,695	7,905	8,115
Class 7	5,610	5,800	5,990	6,180	6,370	6,560	6,750	6,940	7,130	7,320
Class 8	5,060	5,230	5,400	5,570	5,790	5,910	6,080	6,250	6,420	6,590
Class 9	4,575	4,725	4,875	5,025	5,175	5,325	5,475	5,625	5,775	5,930
Class 10	4,110	4,250	4,390	4,530	4,670	4,825	4,980	5,135	5,290	5,445

"On the first day of the first pay period whcih begins on or after January 1, 1964, the per annum salaries of staff officers and employees within each class shall be as follows:

"Class 1	$14,265	$14,735	$15,205	$15,675	$16,145	$16,615	$17,085	$17,555	$18,025	
Class 2	11,725	12,110	12,495	12,880	13,265	13,650	14,035	14,420	14,805	
Class 3	9,695	10,015	10,335	10,655	10,975	11,295	11,615	11,935	12,255	
Class 4	8,090	8,355	8,620	8,885	9,150	9,415	9,680	9,945	10,210	
Class 5	7,295	7,535	7,775	8,015	8,255	8,495	8,735	8,975	9,215	$9,455
Class 6	6,570	6,785	7,000	7,215	7,430	7,645	7,860	8,075	8,290	8,505
Class 7	5,890	6,085	6,280	6,475	6,670	6,865	7,060	7,255	7,450	7,645
Class 8	5,270	5,445	5,620	5,795	5,970	6,145	6,320	6,495	6,670	6,845
Class 9	4,715	4,870	5,025	5,180	5,335	5,490	5,645	5,800	5,955	6,110
Class 10	4,215	4,355	4,495	4,635	4,775	4,915	5,060	5,215	5,370	5,525

"(b) Notwithstanding the provisions of subsection (a) of this section, the Secretary may, under such regulations as he may prescribe, classify positions at levels below class 10, and establish salary rates therefor at lower rates than those prescribed by this section, for American employees recruited abroad who are not available or are not qualified for transfer to another post and who perform duties of a more routine nature than are generally performed at the calss 10 level."

Conversion

SEC. 904. Foreign Service officers, Reserve officers, and Foreign Service staff officers and employees who are entitled to receive basic compensation immediately prior to the effective date of this title at one of the rates provided by section 412 or 415 of the Foreign Service Act of 1946, shall receive basic compensation on and after the effective date of this title at the rate of their class determined to be appropriate by the Secretary of State: *Provided,* That staff officers and employees shall be transferred to the new staff classes established by this Act as follows:

Present class under section 415 of the Foreign Service Act of 1946	Corresponding new class under section 415 of the Foreign Service Act of 1946, as amended
FSS- 1	FSS- 1
FSS- 2	FSS- 1
FSS- 3	FSS- 2
FSS- 4	FSS- 2
FSS- 5	FSS- 3
FSS- 6	FSS- 3
FSS- 7	FSS- 4
FSS- 8	FSS- 5
FSS- 9	FSS- 6
FSS-10	FSS- 7
FSS-11	FSS- 8
FSS-12	FSS- 9
FSS-13	FSS-10
FSS-14 and below	(1)

[1] Remain at present class and salary rate until revised pursuant to new section 415(b).

Conforming Amendments

SEC. 905. The heading of section 642 of the Foreign Service Act of 1946 is amended by deleting the words "and longevity" and section 642 is amended by deleting "(a)" in the first paragraph and by deleting subsection (b) in its entirety.

Effective Date

SEC. 906. Except as otherwise expressly provided in this title, this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

Title VI—Miscellaneous salary provisions

Revision of Salary Limitations for Certain Scientific and Professional Positions

SEC. 1001. (a)(1) Section 2(b) of the Act of August 1, 1947 (Public Law 313, Eightieth Congress, as amended (75 Stat. 789; 5 U.S.C. 1161–1163)), relating to the rates of compensation of certain scientific or professional positions, is amended to read as follows:

"(b) The per annum rates of compensation for positions established pursuant to the provisions of this Act shall not be less than the minimum rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act and shall be subject to the approval of the United States Civil Service Commission.".

(2) The first section of such Act is amended by adding at the end thereof the following new subsection:

"(g) the Librarian of Congress is authorized to establish and fix the compensation for not more than eight scientific or professional positions in the Library of Congress, each such position being established to carry out research and development functions of the Library which require the services of specially qualified personnel. Section 2(a) shall not apply to positions established under this subsection."

(b) Section 1581(b) of title 10 of the United States Code, relating to the rates of compensation of certain scientific or professional positions in the Department of Defense, is amended to read as follows:

"(b) Subject to the Civil Service Commission's approval as to rates, the Secretary may fix the compensation for positions established under subsection (a). However, the per annum compensation may not be less than the minimum rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act.".

(c) Section 4 of the Act of May 29, 1959 (73 Stat. 63; Public Law 86–36), as amended by section 204 of the Act of October 4, 1961 (75 Stat. 791; Public Law 87–367), authorizing scientific and professional positions in the National Security Agency, is amended by striking out ", as amended by paragraph (34)(B) of the first section of the Act of September 2, 1958 (72 Stat. 1456; Public Law 85–861)".

(d) The proviso contained in the first sentence of section 208(g) of the Public Health Servive Act, as amended (42 U.S.C. 210(g)), relating to the rates of compensation of certain scientific, professional, and administrative personnel in the Public Health Service, is amended to read as follows: ": *Provided,* That the rates of compensation for positions established pursuant to the provisions of this subsection shall not be less than the minimum rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act, and shall be subject to the approval of the Civil Service Commission.".

(e) The proviso contained in the second sentence of section 12 of the Act of May 29, 1884 (62 Stat. 198 as amended and supplemented; 21 U.S.C. 113a), authorizing the Secretary of Agriculture to employ and fix the compensation of technical experts and scientists for research and study of foot-and-mouth disease and other animal diseases, is amended to read as follows: ": *Provided,*

That the number so employed shall not exceed five and that the maximum compensation for each shall not exceed the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended.".

(f) Section 203(b)(2) of the National Aeronautics and Space Act of 1958 (72 Stat. 429; 42 U.S.C. 2473(b)(2)), as amended, authorizing the Administrator of the National Aeronautics and Space Administration to establish and fix the compensation of four hundred and twenty-five scientific, engineering, and administrative positions, is amended by striking out, in the second sentence, ", except that (A) to the extent the Administrator deems such action necessary to the discharge of his responsibilities, he may appoint and fix the compensation (up to a limit of $19,000 a year, or up to a limit of $21,000 a year for a maximum of thirty positions) of" and by inserting in lieu thereof ", except that (A) to the extent the Administrator deems such action necessary to the discharge of his responsibilities, he may appoint and fix the compensation (at not to exceed the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended, or, for a maximum of thirty positions, not to exceed $21,000 a year) of".

(g) That part of the proviso in section 161d. of the Atomic Energy Act of 1954, as amended (71 Stat. 613; 42 U.S.C. 2201), fixing a limit of $19,000 on the compensation of scientific and technical personnel, is amended by striking out the words "up to a limit of $19,000)" and inserting in lieu thereof "up to a limit of the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended)".

(h) Section 302(f) of the Federal Aviation Act of 1958 (72 Stat. 746; 49 U.S.C. 1343(d)), as amended, authorizing the Administrator of the Federal Aviation Agency to select, employ, and fix the compensation of 23 positions at rates not to exceed $19,500 per annum, is amended by striking out "$19,500 per annum" and inserting in lieu thereof "the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended".

(i) Section 2 of the Act of June 14, 1948, as amended (62 Stat. 441; 66 Stat. 43; 22 U.S.C. 290a), relating to the compensation of the United States representative and alternate on the Executive Board of the World Health Organization, is amended by striking out "Such representative shall be entitled to receive compensation at a rate not to exceed $12,000 per annum and any such alternate shall be entitled to receive compensation at a rate not to exceed $10,000 per annum", and inserting in lieu thereof "Such representative and any such alternate shall each be entitled to receive compensation at one of the rates provided by section 412 of the Foreign Service Act of 1946, as amended,".

(j) Section 104(b) of the Mutual Educational and Cultural Exchange Act of 1961 (75 Stat. 530; Public Law 87–256) authorizing the fixing of the compensation of not to exceed ten employees without regard to the Classification Act of 1949, is amended to read as follows:

"(b) The President is authorized to employ such other personnel as he deems necessary to carry out the provisions and purposes of this Act, and of such personnel not to exceed ten may be compensated without regard to the provisions of the Classification Act of 1949, as amended, but not in excess of the highest rate of grade 18 of the general schedule established by such Act. Such positions shall be in addition to the number authorized by section 505 of the Classification Act of 1949, as amended."

(k)(1) Section 625(b) of the Foreign Assistance Act of 1961 (75 Stat. 449; Public Law 87–195), as amended, is amended by striking out "and of these, not to exceed eight may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year" and inserting in lieu thereof "but not in excess of the highest rate of grade 18 of such general schedule".

(2) Section 625(c) of such Act is amended by striking out "and of these, not to exceed three may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year" and inserting in lieu thereof "but not in excess of the highest rate of grade 18 of such general schedule".

(l) Section 7(b) of the Peace Corps Act (75 Stat. 615; Public Law 87–293) is amended by striking out "and of these not to exceed two may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year" and inserting in lieu thereof "but not in excess of the highest rate of grade 18 of such general schedule".

Agricultural Stabilization and Conservation County Committee Employees

SEC. 1002. The rates of compensation of persons employed by the county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) shall be increased by amounts equal, as nearly as may be practicable, to the increases provided by title II of this part for corresponding rates of compensation in the appropriate schedule or scale of pay.

Assistant United States Attorneys

SEC. 1003. (a) The last paragraph of section 508 of title 28 of the United States Code is amended to read as follows:

"Assistant United States attorneys and attorneys appointed under section 503 of this title—not more than $17,500."

(b) The rates of basic compensation of assistant United States attorneys whose basic salaries are fixed by section 508 of title 28, United States Code, shall be increased by 7½ per centum effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

Employees in the Judicial Branch

SEC. 1004. (a) The rates of basic compensation of officers and employees in or under the judicial branch of the Government whose rates of compensation are fixed by or pursuant to paragraph (2) of subdivision a of section 62 of the Bankruptcy Act (11 U.S.C. 102(a)(2)), section 3656 of title 18 of the United States Code, the third sentence of section 603, section 604(a)(5), or section 672 to 675, inclusive, of title 28 of the United States Code, or section 107(a)(6) of the Act of July 31, 1956, as amended (5 U.S.C. 2206(a)(6)), are hereby increased by two amounts, the first amount to be effective for the period beginning as of the first day of the first pay period which begins on or after the date of enactment of this Act, and ending immediately prior to the first day of the first pay period which begins on or after January 1, 1964, and the second amount to be effective on the first day of the first pay period which begins on or after January 1, 1964, and thereafter, which reflect the respective applicable increases provided by title II of this part in corresponding rates of compensation for officers and employess subject to the Classification Act of 1949, as amended.

(b) The Limitations provided by applicable law on the effective date of this section with respect to the aggergate salaries payable to secretaries and law clerks of circuit and district judges are hereby increased by two amounts, the first amount to be effective for the period beginning as of the first day of the first pay period which begins on or after the date of enactment of this Act, and ending immediately prior to the first day of the first pay period which begins on or after January 1, 1964, and the second amount to be effective on the first day of the first pay period which begins on or after January 1, 1964, and thereafter, which reflect the respective applicable increases provided by title II of this part in corresponding rates of compensation for officers and employees subject to the Classification Act of 1949, as amended.

(c) Section 753(e) of title 28 of the United States Code (relating to the compensation of court reporters for district courts) is amended by striking out the existing salary limittations contained there in and inserting a new limitation to be effective for the period beginning as of the first day of the first pay period which begins on or after the date of enactment of this Act, and ending immediately prior to the first day of the first pay period which begins on or after January 1, 1964, and a second new limitation effective on the first day of the first pay period which begins on or after January 1, 1964, and thereafter, which reflect the respective increases provided by title II of this part in corresponding rates of compensation for officers and employees subject to the Classification Act of 1949, as amended.

Employees in the Legislative Branch

SEC. 1005. (a) Each officer and employee in or under the legislative branch of the Government whose rate of compensation is increased by section 5 of the Federal Employees Pay Act of 1946 shall be paid additional compensation at the rate of 7 per centum of his gross rate of compensation (basic compensation plus additional compensation authorized by law).

(b) The basic compensation of each employee in the office of a Senator is hereby adjusted, effective on the first day of the first pay period which begins on or after the date of enactment of this Act, to the lowest multiple of $60 which will provide a gross rate of compensation not less than the gross rate such employee was receiving immediately prior thereto, except that the foregoing provisions of this subsection shall not apply in the case of any employee if on or before the fifteenth day following the date of enactment of this Act the Senator by whom such employee is employed notifies the disbursing office of the Senate in writing that he does not wish such provisions to apply to such employee. In any case in which, at the expiration of the time within which a Senator may give notice under this subsection, such Senator is deceased such notice shall be deemed to have been given.

(c) Notwithstanding the provision referred to in subsection (d), the rates of gross compensation of the elected officers of the Senate (except the Presiding Officer of the Senate), the Legislative Counsel of the Senate, the Official Reporters of Debates of the Senate, the Parliamentarian of the Senate, the Senior Counsel in the Office of the Legislative Counsel of the Senate, and the Chief Clerk of the Senate are hereby increased by 7 per centum.

(d) The paragraph imposing limitations on basic and gross compensation of officers and employees of the Senate appearing under the heading "SENATE" in the Legislative Appropriation Act, 1956, as amended (74 Stat. 304; Public Law 86–568), is amended to read as follows:

"No officer or employee whose compensation is disbursed by the Secretary of the Senate shall be paid basic compensation at a rate in excess of $8,880 per annum, or gross compensation at a rate in excess of $18,880 per annum, unless expressly authorized by law."

(e) The limitation on gross rate per hour per person provided by applicable law on the effective date of this section with respect to the folding of speeches and pamphlets for the Senate is hereby increased by 7 per centum. The amount of such increase shall be computed to the nearest cent, counting one-half cent and over as a whole

cent. The provisions of subsection (a) of this section shall not apply to employees whose compensation is subject to such limitation.

(f) Each officer or employee of the House of Representatives, whose compensation is disbursed by the Clerk of the House of Representatives and is not increased automatically, or is not permitted to be increased administratively, by reason of any other provision of this section, shall receive additional compensation at the rate of 7 per centum of the rate of his total annual compensation in effect immediately prior to the effective date of this section.

(g) The limitations on gross rate per thousand and gross rate per hour per person provided by applicable law on the effective date of this section with respect to the folding of speeches and pamphlets for the House of Representatives are hereby increased by 7 per centum. The amount of each such increase shall be computed to the nearest cent, counting one-half cent and over as a whole cent.

(h) The additional compensation provided by this section shall be considered a part of basic compensation for the purposes of the Civil Service Retirement Act (5 U.S.C. 2251 and the following).

(i) Notwithstanding any other provision of this section, no rate of compensation which exceeds $21,500 shall be increased by this section, and no increase provided by this section shall cause the gross rate of compensation (basic plus additional compensation authorized by law) or the total annual compensation of any officer or employee to exceed $21,500.

Saving Provision

SEC. 1006. Notwithstanding any provision of this Act, no rate of basic, gross, or total annual compensation or salary shall be reduced by reason of the enactment of this Act.

Absorption of Costs

SEC. 1007. (a) The departments, agencies, establishments, and corporations in the executive branch shall absorb the costs of the increases in basic compensation provided by this Act to the fullest extent possible without seriously affecting the immediate execution of essential functions.

(b) No request for additional or supplemental appropriations to meet the increases in basic compensation provided by this Act shall be transmitted to the Congress unless it is accompanied by a certification of the Director of the Bureau of the Budget that the amounts requested are necessary to provide for the continued execution of essential functions of the department, agency, or corporation concerned.

(c) Pursuant to the objective of this section, heads of the executive branch activities concerned are directed to review with meticulous care each vacancy resulting from voluntary resignation, retirement, or death and to determine whether the duties of the position can be reassigned to other employees or whether the position can be abolished without seriously affecting the execution of essential functions.

(d) Nothing contained in subsection (a) of this section shall be held or considered to require (1) the separation from the service of any individual by reduction in force or other personnel action or (2) the placing of any individual in a leave-without-pay status.

Effective date

SEC. 1008. Except as otherwise expressly provided, this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

PART III—ADJUSTMENT OF ANNUITIES

SEC. 1101. The annuity of each person who, on the effective date of this section, is receiving or entitled to receive an annuity from the civil service retirement and disability fund shall be increased by 5 per centum of the amount of such annuity.

(b) The annuity of each person who receives or is entitled to receive an annuity from the civil service retirement and disability fund commencing during the period which begins on the day following the effective date of this section and ends five years after such date, shall be increased in accordance with the following table:

If the annuity commences between—	The annuity shall be increased by—
January 2, 1963, and December 31, 1963.	4 per centum
January 1, 1964, and December 31, 1964.	3 per centum
January 1, 1965, and December 31, 1965.	2 per centum
January 1, 1966, and December 31, 1966.	1 per centum

(c) In lieu of any other increase provided by this section, the annuity of a survivor of a retired employee or Member of Congress who received an increase under this section shall be increased by a percentage equal to the percentage by which the annuity of such employee or Member was so increased.

(d) No increase provided by this section shall be computed on any additional annuity purchased at retirement by voluntary contributions.

(e) The limitation reading "or (3) the sum necessary to increase such annuity, exclusive of annuity purchased by voluntary contributions under the second paragraph of section 10 of this Act, to $2,160" contained in section 8(c)(1) of the Civil Service Retirement Act of May 29, 1930, as amended by the Acts of July 16, 1952 (66 Stat. 722; Public Law 555, Eighty-second Congress), and August 31, 1954 (68 Stat. 1043; Public Law 747, Eighty-third Congress), shall not be effective on or after the effective date of this section.

(f) The limitation contained in the next to the last sentence of section 8(d)(1) of the Civil Service Retirement Act of May 29, 1930, as amended, as enacted by the Act of August 11, 1955 (69 Stat. 692; Public Law 369, Eighty-fourth Congress), shall not be effective on and after the effective date of this section.

(g) The increases provided by this section shall take effect on the effective date of this section, except that any increase under subsection (b) or (c) shall take effect on the beginning date of the annuity.

(h) The monthly installment of annuity after adjustment under this section shall be fixed at the nearest dollar.

SEC. 1102. (a) Section 1 of the Civil Service Retirement Act is amended by adding at the end thereof the following new subsection:

"(t) The term 'price index' shall mean the annual average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics."

(b) Such Act is further amended by redesignating section 18 as 19, and by inserting after section 17 the following new section:

"Cost-of-Living Adjustment of Annuities

"SEC. 18. (a) After January 1, 1964, and after each succeeding January 1, the Commission shall determine the per centum change in the price index from the later of 1962 or the year preceding the most recent cost-of-living adjustment to the latest complete year. On the basis of such Commission determination, the following adjustments shall be made:

"(1) Effective April 1, 1964, if the change in the price index from 1962 to 1963 shall have equaled a rise of at least 3 per centum, each annuity payable from the fund which has a commencing date earlier than January 2, 1963, shall be increased by the per centum rise in the price index adjusted to the nearest one-tenth of 1 per centum.

"(2) Effective April 1 of any year other than 1964 after the price index change shall have equaled a rise of at least 3 per centum, each annuity payable from the fund which has a commencing date earlier than January 2 of the preceding year shall be increased by the per centum rise in the price index adjusted to the nearest one-tenth of 1 per centum.

"(b) Eligibility for an annuity increase under this section shall be governed by the commencing date of each annuity payable from the fund as of the effective date of an increase, except as follows:

"(1) Effective from the date of the first increase under this section, an annuity payable from the fund to an annuitant's survivor (other than a child entitled under section 10(d)), which annuity commenced the day after the annuitant's death, shall be increased as provided in subsection (a)(1) or (a)(2) if the commencing date of annuity to the annuitant was earlier than January 2 of the year preceding the first increase.

"(2) Effective from its commencing date, an annuity payable from the fund to an annuitant's survivor (other than a child entitled under section 10(d)), which annuity commences the day after the annuitant's death and after the effective date of the first increase under this section, shall be increased by the total per centum increase the annuitant was receiving under this section at death.

"(3) For purposes of computing an annuity which commences after the effective date of the first increase under this section to a child under section 10(d), the items $600, $720, $1,800, and $2,160 appearing in section 10(d) shall be increased by the total per centum increase allowed and in force under this section, and, in case of a deceased annuitant, the items 40 per centum and 50 per centum appearing in section 10(d) shall be increased by the total per centum increase allowed and in force under this section to the annuitant at death. Effective from the date of the first increase under this section, the provisions of this paragraph shall apply as if such first increase were in effect with respect to computation of a child's annuity under section 10(d) which commenced between January 2 of the year preceding the first increase and the effective date of the first increase.

"(c) No increase in annuity provided by this section shall be computed on any additional annuity purchased at retirement by voluntary contributions.

"(d) The monthly installment of annuity after adjustment under this section shall be fixed at the nearest dollar."

SEC. 1103. (a) Section 9(g) of the Civil Service Retirement Act is amended to read as follows:

"(g) The annuity as hereinbefore provided (excluding any increase because of retirement under section 7) for any married employee or Member retiring under this Act, or any portion of such annuity designated in writing for purposes of section 10(a)(1), shall be reduced by 2½ per centum of so much thereof as does not exceed $3,600 and by 10 per centum of so much thereof as exceeds $3,600, unless the employee or Member notifies the Commission in writing at the time of retirement that he does not desire his wife or husband to receive an annuity as provided in section 10(a)(1)."

(b) Section 10(a)(1) of such Act is amended to read as follows:

"(1) If an employee or Member dies after having retired under any provision of this Act and is survived by a wife or husband to whom the employee or Member was married at the time of retirement, such wife or husband shall be paid an annuity equal to 55 per centum of an annuity computed as provided in subsections (a), (b), (c), (d), (e),

and (f) of section 9, as may apply with respect to the annuitant, or of such portion thereof as may have been designated in writing for such purpose by the employee or Member at the time of retirement, unless the employee or Member has notified the Commission in writing at the time of retirement that he does not desire his wife or husband to receive such annuity."

(c) Section 10(b) of such Act is amended by striking out "50 per centum" and inserting in lieu thereof "55 per centum".

(d) Section 10(c) of such Act is amended by striking out "50 per centum" and inserting in lieu thereof "55 per centum".

(e) Section 10(e) of such Act is amended by striking out "50 per centum" and inserting in lieu thereof "55 per centum".

SEC. 1104. Notwithstanding any other provision of law, the benefits made payable under the Civil Service Retirement Act by reason of the enactment of this part shall be paid from the civil service retirement and disability fund.

SEC. 1105. Section 1101 of this part shall take effect on January 1, 1963. The amendments made by section 1103 shall not apply in the case of employees or Members retired or otherwise separated prior to the date of enactment of this Act, and the rights of such persons and their survivors shall continue in the same manner and to the same extent as if these amendments had not been enacted.

Mr. MANSFIELD. Mr. President, it is not the intention of the leadership to consider the bill tonight. It will be the pending business. It has been called up for the purpose of making it the pending business at the conclusion of the morning hour tomorrow. In accordance with the agreement made with the Senator from Maryland [Mr. BUTLER], the Senator from California [Mr. ENGLE], and the Senator from Alaska [Mr. BARTLETT], it is anticipated that following the consideration of the postal rate bill, either late tomorrow or on Thursday, the bill which has just been temporarily laid aside will become the pending business.

ORDER FOR ADJOURNMENT TO 11 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the session for today has been concluded, the Senate adjourn until 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ENGLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMENDATION OF SENATOR SAM J. ERVIN BY NORTH CAROLINA DEPARTMENT OF AMERICAN LEGION

Mr. JORDAN of North Carolina. Mr. President, on January 19, 1962, the executive committee of the North Carolina Department of the American Legion adopted a resolution commending my colleague, Senator SAM J. ERVIN, JR., for his devotion to the "principles and ideals of the Constitution of the United States of America and the individual rights thereby guaranteed to all citizens." I ask unanimous consent that the text of the resolution be printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas SAM J. ERVIN, Jr., senior U.S. Senator from North Carolina, through his service in the Armed Forces of the United States gained deep personal insight into the principles and ideals of Americanism; and

Whereas Senator ERVIN has been throughout his long career of public service for his community, State, and Nation a devoted public servant interested in all of the constitutional rights of all American citizens; and

Whereas Senator ERVIN, through his long service in the U.S. Senate and as a member of the Committee on the Judiciary, is fully aware of the dangers of encroachment by foreign isms on the individual rights of the American citizen; and

Whereas Senator ERVIN is deeply interested in the preservation of the written Constitution of the United States of America and the individual rights thereby guaranteed to all of its citizens; and

Whereas Senator ERVIN has continuously served and emphasized the principles, aims, and objectives of the Americanism programs and principles of the American Legion: Now, therefore, be it

Resolved, That the executive committee of the North Carolina Department of the American Legion, in regular meeting assembled in Winston-Salem, N.C., this the 19th day of January 1962, commend and congratulate Senator ERVIN for his devotion and courageous leadership in preserving the principles and ideals of the Constitution of the United States of America and the individual rights thereby guaranteed to all citizens; be it further

Resolved, That a copy of this resolution be entered on the minutes of this meeting, copies be sent to all members of the Committee on the Judiciary of the U.S. Senate, Senator ERVIN, and the national commander of the American Legion.

RELIEF OF WILLIAM MACKIE AND HAMISH SCOTT MacKAY

Mr. MORSE. Mr. President, I appreciate the opportunity to explain to the Senate, in some detail, the case for the passage of S. 420 and S. 421. These bills are for the relief of two residents of Portland, Oreg., William Mackie and Hamish Scott MacKay, who were deported from the United States in November 1960, and would allow them to return to this country, if they so desire.

Mr. President, I must speak on these two bills at this late hour today for several reasons. First, I assured the leadership of the Senate that, in this instance, as is my common practice in making speeches in the Senate which are not related to the pending business of the Senate, I would speak after the Senate was ready to dispense with further debate on the pending business for the day.

I strongly support a reform in the rules of procedure of the Senate which would adopt a rule of germaneness to prevail throughout any given day until 4:30 or 5 o'clock, after which there would be no rule of germaneness for that day. Senators then would be privileged to take the floor and discuss subjects which did not pertain to the pending business of the Senate. I think that that rule alone would greatly improve the efficiency of the Senate, if all Senators followed it.

For the past several years the senior Senator from Oregon has followed such procedure as his personal policy. The timing of this speech is in accordance with this policy.

NECESSITY FOR MAKING A COMPLETE RECORD

The second reasons for speaking on these two bills tonight also because tomorrow I shall appear before the Committee on the Judiciary with respect to S. 420 and S. 421, and in order to make a complete record on the bills, I need to speak at much greater length than would be possible at the hearing before the Committee on the Judiciary.

Therefore, I talked with the chairman of the Judiciary Committee, the Senator from Mississippi [Mr. EASTLAND], and asked him whether he would have any objection to my discussing these bills in the Senate Chamber, prior to my appearance and my testimony at a meeting of the Judiciary Committee. Not only did he assure me that he would have no objection, but he agreed with me that I should do just that, because he felt that my remarks on the floor of the Senate, in making the detailed record tonight, would be of material assistance to the Judiciary Committee when I testify there tomorrow. Tomorrow, when I appear before the Judiciary Committee, I propose to and shall be able to summarize the record I shall make tonight on these two bills.

NATIONAL SENSE OF JUSTICE IS INVOLVED

The third and substantial reason for my speech tonight on these two bills is because, in my opinion, the persons involved in the bills have been done a shocking injustice by our Government of the United States: and I want to believe, and as a free people we must believe, that our Government will never become so large and so cumbersome that it will lose a sense of conscience in respect to the rights of individuals within our country—in regard to doing justice to human beings. Too frequently government can become cold: too frequently the administrative processes of government can take on a color that shadows or conceals individual rights.

Tonight I am speaking about two cases which in my judgment illustrate government's inhumanity to man; they are all too good examples of man's inhumanity to man. As I discuss these cases, I am satisfied that anyone who will put himself, figuratively speaking, in a jury box and pass judgment on the facts in these two cases will agree with my conclusion.

These cases represent shocking injustice, and our Government has the moral obligation and responsibility to see to it that justice is done to these two persons, irrespective of the fact that, as jurors, we would not condone or approve of certain courses of action and behavior by those two persons.

But I wish to point out that they are human beings; and I point out that it is difficult to justify the inhumane course

of action which our Government has followed through a literal and strict and harsh application of the immigration law to two residents of Portland, Oreg. These individuals—whatever they are and are—were made what they are as the result of the action upon them of our American system.

I well know that when—and particularly in an election year—I stand on the floor of the Senate and make a plea for the doing of justice to two persons who have been deported from the United States on the ground that the Immigration Service found them to be either Communists or associated with Communists, that is not good politics. But in my 18 years in the Senate, I never have—and I never will start it in the midst of an election—run away from responsibilities. I have an obligation of raising my voice in the interest of doing justice to any human being, no matter what may have been his course of conduct, if the Government's action toward him has not resulted in justice.

CASES ARE MATTERS OF WIDE CONCERN

Mr. President, I do not speak alone. As will be noted as I bring out the facts in connection with these two cases, they have become causes celebre in Oregon, in Canada, in Finland, and in many places in between. The injustice done these two persons has become a matter of concern to many persons in Oregon, regardless of their political party affiliation. As I set forth in my report on these two bills, and as I shall point out during my remarks tonight, the matter is one of grave concern to a former Republican Governor of Oregon, one of the recognized leaders of my State, the publisher and editor of the Salem Statesman, Charles Sprague. As I submit the evidence in support of my bills, I shall point out that one Republican newspaper after another in Oregon has written castigating editorials against the policy of the U.S. Government in regard to these two cases. The reaction has been completely bipartisan. The reaction has been almost unanimously opposed to these deportations.

As I call attention to the petitions which I shall place in the RECORD before I finish—petitions signed by scores and hundreds and, indeed, thousands of residents of the State of Oregon, Democrats, Republicans, and Independents, alike—there will be no doubt about the fact that tonight I am talking about two cases in regard to which citizens of Oregon, of all political faiths, have been deeply stirred, and are urging that our Government do justice now, because great injustice has been done, and it does not sit well with the conscience of Oregon.

THE BILLS ARE AN OPPORTUNITY TO DO JUSTICE

It is my hope that the Senate Judiciary Committee, which will consider these bills tomorrow, will act speedily upon them and will grasp this opportunity to right a shocking wrong. I hope that after the Judiciary Committee hears the evidence tomorrow on these two bills, it will agree with me that the thousands of people in Oregon who support me in the stand I am taking here tonight are correct, and will recognize that these two bills should be passed quickly by both Houses of Congress and signed by the President, so that these two men will be given an opportunity to return to the United States.

In discussing the deportation of Mackie and MacKay, I wish to make very clear that I hold no brief for them, and do not imply any approval of their actions. I do not approve their actions, but I think even less of the actions of the U.S. Government in exiling two such insignificant men.

In my judgment, the Department of Justice, through the Immigration Service, failed to make a case that justified these deportations. I hope this discussion of these two immigration cases will also serve notice upon the Congress of its dereliction in permitting the vesting in any department or agency of Government such arbitrary discretionary power of the Immigration Service, in the Department of Justice, as is exhibited in these two cases. I hope my speech tonight will also be the opening salvo in a bombardment against immigration legislation now on the statute books which should be modified, and in some respects repealed, because, in my judgment, the sweeping discretionary powers which Congress has given the immigration authorities of this country just cannot be squared with our ideal of government by law. The statutes which have been enacted into the law of the land, vesting in the officials of the immigration authority personal power that can be described only as government by men, not by law. It is a power which does not have attached to it the necessary procedural safeguards which are essential in denying to mere men in administrative positions in the government the power to make decisions which really destroy precious human rights which a system of freedom should guard and enshrine.

This is not the first time in my 18 years in the Senate that I have deplored the arbitrary power of the Department of Justice in respect to immigration cases, for I take the position that no man or woman should ever be deported from the United States, under any circumstance, unless an American jury of his or her peers makes the findings of fact that support a deportation.

These cases involved precious rights of personal liberty, and we cannot reconcile them with the declarations about freedom and protection of individual rights. There is arbitrary power vested in the immigration officials under existing statutes, and its crushing weight has been felt upon Mackie and MacKay. But as long as those powers are in the law, the senior Senator from Oregon and the remainder of this body must confront individual cases such as the two cases I will review tonight. As long as those powers are in the law, all I can plead for on the floor of the Senate and before the Judiciary Committee tomorrow is that the decision of the immigration authorities be reversed. However, I hope to live to see the day when the immigration laws of this country will be so amended that, before the immigration authorities can order anyone deported from this country, they will have to take their case to the jury box, prove its case to the jury, which the Constitution makes a part of American law.

If the cases of MacKay and Mackie had been taken to the jury box anywhere in America, in my judgment, there would have been a unanimous vote in favor of Mackie and MacKay for the action taken by the immigration authorities violates the sense of justice and fairplay and decent treatment which has traditionally inspired the sense of values of this great Nation.

THE PRESENT LAW GRANTS ARBITRARY POWER

When arbitrary power is vested in mere men, with all their human frailties, it leads to capriciousness, for there is a long recognized tendency for mere men, given arbitrary power, to become intoxicated by that power and their own importance. In my judgment, it has, in too many instances characterized action on the part of the Immigration Service of the U.S. Department of Justice for many years past, some of which I shall summarize later in my remarks.

We have two shocking cases here, in my judgment. I hope this speech, and perhaps later developments, will at least put the American people on warning with respect to the arbitrary power that has been vested in the immigration authorities of this Government.

Come next January, I shall hope to offer a series of amendments to our immigration laws that will seek to condition the power of the Immigration Service of our Government upon appropriate legal safeguards.

APPRECIATION DUE TO CHAIRMAN OF JUDICIARY COMMITTEE

I believe it is appropriate for me to express my very sincere gratitude to the chairman of the Judiciary Committee, the distinguished Senator from Mississippi [Mr. EASTLAND]. When I was first preparing to introduce these measures, I discussed with the chairman my hope that hearings could be held on them. He urged me to introduce these bills, saying he did not know very much about their subject matter, but that he did recall very distinctly reading in the press about the Mackie case in November of 1960. He was good enough to say that he had been very much surprised, on the basis of the facts which were published in the newspapers, that Mackie had been deported.

The Senator assured me that very thorough consideration would be given to my two bills, because, he said, if injustice has been done it ought to be righted. It is very much to the credit of the Senator from Mississippi that a hearing is to be convened and that there is an opportunity to consider what constitutes justice as to these two men.

I want to make very clear that the Senator from Mississippi made no value judgment in regard to these two cases. He made very clear that, of course, the burden of proof was on the senior Senator from Oregon to show that the action of the immigration authorities should be reversed by the passage of these two bills. I assured the Senator from Mississippi that I would be very happy to assume that burden of proof.

Calendar No. 2086

87TH CONGRESS
2D SESSION

H. R. 7927

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 25, 1962

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. CLARK to the bill (H.R. 7927) to adjust postal rates, and for other purposes, viz:

On page 30, line 14, after "(a)" insert the following: "When the President of the United States determines that it is in the national security interest because of the failure of any Communist country or countries to handle mail from the United States in accordance with international postal agreements or for any other reason, the President is authorized to direct that".

9-25-62——B

Calendar No. 2086

87TH CONGRESS
2D SESSION

H. R. 7927

AMENDMENT

Intended to be proposed by Mr. CLARK to the bill (H.R. 7927) to adjust postal rates, and for other purposes.

SEPTEMBER 25, 1962

Ordered to lie on the table and to be printed

Calendar No. 2086

87TH CONGRESS
2D SESSION

H. R. 7927

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 25, 1962

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. CLARK to the bill (H.R. 7927), to adjust postal rates, and for other purposes, viz:

On page 97, line 17, after "(d)" insert "(1)".

On page 98, line 2, strike out "$8,880" and insert in lieu thereof "$9,480".

On page 98, line 3, strike out "$18,880" and insert in lieu thereof "$20,000".

On page 98, between lines 4 and 5, insert the following:

"(j) (1) The second proviso in the paragraph relating to the authority of Senators to rearrange the basic salaries of employees in their respective offices, which appears in the Legislative Branch Appropriation Act, 1947, as amended (2 U.S.C. 60f; Public Law 87–130), is amended to read

as follows: '*Provided further,* That no salary shall be fixed in a Senator's office under this section at a basic rate of more than $5,100 per annum, except that (1) the salary of one employee may be fixed at a basic rate of not more than $7,260 per annum, (2) the salary of one employee may be fixed at a basic rate of not more than $8,280 per annum, (3) the salary of one employee may be fixed at a basic rate of not more than $8,820 per annum, and (4) the salary of one employee may be fixed at a basic rate of not more than $9,480 per annum.'

"(2) The paragraph relating to rates of compensation of employees of committees of the Senate, contained in the Legislative Appropriation Act, 1956, as amended (2 U.S.C. 72a–1a; Public Law 85–462), is amended by striking out so much of the second sentence thereof as follows the words 'First Supplemental Appropriation Act, 1947,' and inserting in lieu thereof the following: 'the basic compensation of any employee of a standing or select committee of the Senate (including the majority and minority policy committees and the majority conference of the Senate and minority conference of the Senate), or a joint committee of the two Houses the expenses of which are paid from the contingent fund of the Senate, whose basic compensation may be fixed under such provisions at a rate of $8,000 per annum, may be fixed at a rate not in excess of $8,280 per annum, except

that the basic compensation of one such employee may be fixed at a rate not in excess of $9,480 per annum and the basic compensation of two such employees may be fixed at a rate not in excess of $8,820 per annum.' "

Calendar No. 2086

87TH CONGRESS
2D SESSION

H. R. 7927

AMENDMENTS

Intended to be proposed by Mr. CLARK to the bill (H.R. 7927) to adjust postal rates, and for other purposes.

SEPTEMBER 25, 1962

Ordered to lie on the table and to be printed

Calendar No. 2086

87TH CONGRESS
2D SESSION

H. R. 7927

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 25, 1962

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. CLARK to the bill (H.R. 7927 to adjust postal rates, and for other purposes, viz:

On page 97, line 17, after "(d)" insert "(1)".

On page 98, line 2, strike out "$8,880" and insert in lieu thereof "$9,480".

On page 98, line 3, strike out "$18,880" and insert in lieu thereof "$20,000".

On page 98, between lines 4 and 5, insert the following:

"(j) (1) The second proviso in the paragraph relating to the authority of Senators to rearrange the basic salaries of employees in their respective offices, which appears in the Legislative Branch Appropriation Act, 1947, as amended (2 U.S.C. 60f; Public Law 87-130), is amended to read as

follows: '*Provided further*, That no salary shall be fixed in a Senator's office under this section at a basic rate of more than $5,100 per annum, except that (1) the salary of one employee may be fixed at a basic rate of not more than $6,540 per annum, (2) the salary of one employee may be fixed at a basic rate of not more than $8,460 per annum, (3) the salary of one employee may be fixed at a basic rate of not more than $8,880 per annum, and (4) the salary of one employee may be fixed at a basic rate of not more than $9,000 per annum.'

"(2) The paragraph relating to rates of compensation of employees of committees of the Senate, contained in the Legislative Appropriation Act, 1956, as amended (2 U.S.C. 72a–1a; Public Law 85–462), is amended by striking out so much of the second sentence thereof as follows the words 'First Supplemental Appropriation Act, 1947,' and inserting in lieu thereof the following: 'the basic compensation of any employee of a standing or select committee of the Senate (including the majority and minority policy committees and the majority conference of the Senate and minority conference of the Senate), or a joint committee of the two Houses the expenses of which are paid from the contingent fund of the Senate, whose basic compensation may be fixed under such provisions at a rate of $8,000 per annum, may be fixed at a rate not in excess of $8,460 per annum,

except that the basic compensation of one such employee may be fixed at a rate not in excess of $9,000 per annum and the basic compensation of two such employees may be fixed at a rate not in excess of $8,880 per annum.'"

Calendar No. 2086

87TH CONGRESS
2D SESSION

H. R. 7927

AMENDMENTS

Intended to be proposed by Mr. CLARK to the bill (H.R. 7927) to adjust postal rates, and for other purposes.

SEPTEMBER 25, 1962

Ordered to lie on the table and to be printed

Calendar No. 2086

87TH CONGRESS
2D SESSION

H. R. 7927

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 25, 1962

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. CLARK to the bill (H.R. 7927) to adjust postal rates, and for other purposes, viz:

Strike out section 305 (dealing with Communist political propaganda), including all that appears from line 9 on page 30, through and including line 5 on page 32, and renumber section 306 as "305".

9-25-62——E

Calendar No. 2086

87TH CONGRESS
2D SESSION

H. R. 7927

AMENDMENT

Intended to be proposed by Mr. CLARK to the bill (H.R. 7927) to adjust postal rates, and for other purposes.

SEPTEMBER 25, 1962

Ordered to lie on the table and to be printed

Calendar No. 2086

87TH CONGRESS
2D SESSION

H. R. 7927

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 25, 1962

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. CLARK to the bill (H.R. 7927) to adjust postal rates, and for other purposes, viz: Strike out line 9 on page 30 and all through line 5 on page 32, and insert in lieu thereof the following:

COMMUNIST POLITICAL PROPAGANDA AND OBSCENE MATTER

SEC. 305. The Subversive Activities Control Act of 1950 is amended by inserting immediately after section 10 thereof the following new section:

"NOTICE WITH RESPECT TO COMMUNIST PROPAGANDA AND OBSCENE MATTER DISTRIBUTED BY MAIL AND DETENTION THEREOF

"SEC. 10A. In order to alert the recipients of mail and the general public to the fact that large quantities of Communist propaganda and of obscene, lewd, lascivious, and indecent matter are being introduced into this country from abroad and disseminated in the United States by means of the United States mails, the Postmaster General shall publicize such fact (1) by appropriate notices posted in post offices, and (2) by notifying recipients of mail, whenever he deems it appropriate in order to carry out the purposes of this section, that the United States mails may contain such propaganda or such obscene, lewd, lascivious, or indecent matter. Any person may file a written request with his local post office to detain such progaganda or such obscene, lewd, lascivious, or indecent matter addressed to him, and the Postmaster General shall detain and dispose of such propaganda and such matter for such period as the request is in effect. The Postmaster General shall permit the return of mail containing such propaganda or such obscene, lewd, lascivious, or indecent matter, to local post offices, without cost to the recipient thereof. Nothing in this section shall

be deemed to authorized the Postmaster General to open, inspect, or censor any mail except on specific request by the addressee thereof. The Postmaster General is authorized to prescribe such regulations as he may deem appropriate to carry out the purposes of this section."

Calendar No. 2086

87TH CONGRESS
2D SESSION

H. R. 7927

AMENDMENT

Intended to be proposed by Mr. CLARK to the bill (H.R. 7927) to adjust postal rates, and for other purposes.

SEPTEMBER 25, 1962

Ordered to lie on the table and to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued Sept. 27, 1962
For actions of Sept. 26, 1962
87th-2d, No. 174

CONTENTS

Agricultural appropriations.....1
Air pollution.....19
American Samoa.....36
Appropriations.....1,5,12,31,35
ASC committees.....20
Assistant Secretary.....2
Atomic energy.....39
Civil service.....22
Contracts.....3,30
Decentralization.....3
Employment.....6,9
Extension work.....24
Farm labor.....38
Farm program.....4
Fiscal requirements.....25
Fisheries.....10
Foreign affairs.....17
Foreign aid.....18,23
Foreign trade.....7,14
Forestry.....27
Government operations....3
Income tax.....24
Investigation.....32
Minerals.....16,37
Pay increase.....11
Pay scales.....22
Personnel.....9,11,32-
Price supports.....28
Public lands.....37
Public works.....21
Rail strike.....15
Reorganization.....28
School lunch.....36
Tobacco.....13
Trademarks.....26
Transportation.....15
Wage standards.....30
Watersheds.....8
Wheat acreage.....29

HIGHLIGHTS: Rep. Latta criticized farm program. Rep. Hall inserted his recommendations for farm program. Received from this Department proposed bill for additional Assistant Secretary. Senate continued debate on pay bill. Sen. Humphrey discussed problems of foreign trade. Senate subcommittee voted to report public works appropriation bill. Conferees agreed to file conference report on foreign trade bill.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL, 1963. The "Daily Digest" states that "Conferees met in executive session on certain amendments in disagreement between the Senate and House on H R. 12648, fiscal 1963 appropriations for the Department of Agriculture, but did not resolve these differences, and recessed subject to call." p. D897

2. ASSISTANT SECRETARY. Received from this department a proposed bill "to establish an additional office of Assistant Secretary of Agriculture"; to Agriculture Committee. p. 19800

3. GOVERNMENT OPERATIONS. The Government Operations Committee issued a report pertaining to contract operations (H. Rept. 2480), and a report pertaining to decentralizing Federal activities (H. Rept. 2481). p. 19800

4. FARM PROGRAM. Rep. Latta criticized the farm program saying, "this latest administration concoction for American agriculture seeks to lure farmers into its 1963 program ... hoping to keep them there until 1964 when it lowers the boom

on them as well as the consuming public." p. 19780

Rep. Hall inserted the recommendations of a farm advisory council appointed by him to study the farm problem in his district. pp. 19781-3

5. APPROPRIATIONS. The Appropriations Committee was granted permission to submit for immediate consideration a further continuing resolution on Friday, Sept. 28. p. 19702

6. EMPLOYMENT. Rep. Curtis, Mo., inserted an editorial, "Creating Jobs--Federal Role Should be to Smooth Way for Private Enterprise." pp. 19776-80

7. FOREIGN TRADE. The "Daily Digest" states that "Conferees, in executive session, agreed to file a conference report on the differences between the Senate- and House-passed versions of H R. 11970, proposed Trade Expansion Act of 1962." p. D897

8. WATERSHEDS. The "Daily Digest" states that the Agriculture Committee "Met in executive session and approved the following watershed projects: Anasco River, P.R.; Bayou Folse, La.; Bee Creek, Kans.; Big Indian Creek, Nebr.; Big Muddy Creek, Ky.; Big Wyacondah, Iowa; Crooked Bayou, Ark.; Duncan Creek, S.C.; Hardin Creek, Tenn.; Kaercher Creek, Pa.; Lattas Creek, Ind.; Line Creek, Tenn.; Lower Forest River, N. Dak.; Middle Caney, Kans.; Neshobe River, Vt.; Saltlick Creek, W. Va.; Stucker Fork, Ind.; Upper Bogue Phalia, Miss.; Upper Quaboag River, Mass.; West Fork of Pond River, Ky.; and Silver Creek, Kans. Passed over without prejudice the Big Creek, Tex., project." p. D896

9. PERSONNEL. Rep. Beckworth inserted a table of temporary employment in selected Government agencies, summer 1959, and criticized current practices. pp.19754-6

Rep. Lane commended pay raise for Federal employees. p. 19762

10. FISHERIES. The Subcommittee on Merchant Marine of the Merchant Marine and Fisheries Committee voted to report to the full committee with amendment H. R. 12968, to amend Sec. 901(b) of the Merchant Marine Act, 1936, to eliminate certain time limitations. p. D896

SENATE

11. PERSONNEL. Continued debate on H. R. 7927, the Federal pay and postal rate inbill (pp. 19595-7, 19661-74, 19683-97). As reported by the committee this bill includes provisions as follows: The President shall make an annual report to the Congress containing a comparison of Federal and private enterprise salary rates and such recommendations for revision of statutory salary schedules, salary structure, and compensation policy as he deems advisable. Whenever the President finds that salary rates in private enterprise for an occupation in one or more areas are so substantially above Federal salary rates as to handicap the Government in recruiting and retaining personnel, the President may establish higher minimum rates of pay for the occupation concerned. Contains the revised compensation schedules for the general schedule of the Classification Act and the conversion rules for the two phases of the salary adjustment plan which would become effective on enactment and on January 1, 1964. Provides for periodic within grade increases at all grades for those who have not reached the top step in the grade following the completion of (1) 52 calendar weeks of service in salary rates 1,2, and 3, (2) 104 calendar weeks of service in salary rates 4,5, and 6, and (3) each 156 calendar weeks of service in salary rates 7,8, and 9. Authorizes additional step increases in recognition of high quality performance above that ordinarily found in the type of position concerned. When an employee is promoted to a position in a higher grade he

shall receive basic compensation at the lowest rate of the higher grade which exceeds his existing rate by not less than two step increases of the grade from which promoted. Authorizes the Civil Service Commission to issue regulations to permit the retention of salary of an employee who, together with his position, is brought under the Classification Act from some other Federal pay system, if his salary rate is in excess of the maximum rate of the classification grade in which his position is placed. Extends the provision for retention of salary when an employee is demoted to a lower grade to all grades of the Classification Act and permits salary retention in some cases not now permitted. Increases from 1,989 to 2,400 the limitation on the number of positions which may be placed in grades 16,17 and 18 of the general schedule, and excludes from this limitation engineering research and development positions and positions in the physical sciences, natural sciences, and medicine. Increases the salary limitations for certain scientific, professional, and other positions to accord with the salary ranges of the general schedule of the Classification Act. Establishes a maximum rate, equivalent to the pay of grade GS-18 for five positions of technical experts in the Department of Agriculture engaged in research in foot-and-mouth and other animal diseases. Extends to Agricultural Stabilization and Conservation County Committee employees the salary increases provided by the bill for corresponding Classification Act salary levels. Directs the departments and agencies to provide for absorption of the costs of salary increases from available funds of the departments, but does not require any employee to be separated from the service or placed in a leave-without-pay status because of this absorption. Provides a 5-percent increase, effective January 1, 1963, in all annuities then payable from the civil service retirement fund which commenced on or before that date, and provides for future adjustments in the event the calendar year average of the monthly Consumer Price Index of the Bureau of Labor Statistics increases not less than 3 percent.

12. PUBLIC WORKS APPROPRIATION BILL, 1963. A subcommittee of the Appropriations Committee approved for full committee consideration with amendments this bill, H. R. 12900. p. D894

13. TOBACCO. Sen. Holland commended the cigar industry of Tampa, Fla., for its adjustment after the embargo was placed on the Cuban tobacco used by the manufacturers. p. 19627

14. FOREIGN TRADE. Sen. Humphrey expressed strong approval of the proposed Trade Expansion Act of 1962 and said, "I predict that the 87th Congress will be primarily identified by future historians as the Congress which enacted the Trade Expansion Act. It was a great victory." pp. 19631-7

15. RAIL STRIKE. Sen. Hruska criticized the Administration's actions regarding the Chicago & North Western Railway strike and said, "much more action should be forthcoming from the Chief Executive. Our farmers are entitled to it." pp. 19697-9

16. MINERALS. The Interior and Insular Affairs Committee reported with amendment H. R. 11049, to provide for the relief of certain oil and gas lessees under the Mineral Leasing Act (S. Rept. 2165). p. 19699

17. FOREIGN AFFAIRS. Sen. Prouty criticized U. S. foreign policy saying it "is the product of fear and gulls." pp. 19674-6

18. FOREIGN AID. Sen. Moss inserted an editorial criticizing the House cuts in the foreign aid appropriation bill. p. 19623

19. AIR POLLUTION. Concurred in the House amendments to S. 455, to amend the act of July 14, 1955, relating to air pollution control, to authorize appropriations for an additional 2-year period. This bill will now be sent to the President. pp. 19645-6

ITEMS IN APPENDIX

20. ASC FARMER COMMITTEES. Extension of remarks of Rep. Gathings and Rep. Abbitt defending the record of the ASC farmer committees. pp. A7108, A7139

21. PUBLIC WORKS. Extension of remarks of Rep. Curtis inserting a New York Times editorial criticizing Congressional action on the Public Works Acceleration Act. p. A7111

22. CIVIL SERVICE. Extension of remarks of Rep. St. George inserting articles supporting reforms to equalize the pay scales of government and private industry. pp. A7111-12

23. FOREIGN AID. Speech of Rep. Alger in the House opposing the foreign aid appropriation bill as "self-defeating and suicidal." p. A7112
Extension of remarks of Rep. Derwinski inserting an article stating that "the fundamental cause of our balance of payments deficit is the payment of billions in foreign aid." p. A7123

24. EXTENSION WORK. Extension of remarks of Rep. Smith inserting a speech by Rep. Fountain before the National Association of State Departments of Agriculture calling for closer Federal-State cooperation. pp. A7128-9

BILLS INTRODUCED

25. FISCAL REQUIREMENTS. H. R. 13232, by Rep. Dooley, to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States; to Rules Committee.

26. TRADEMARKS. H. R. 13234, by Rep. Mahon, to amend subsection (e) of section 44 of the Trademark Act; to Judiciary Committee.

27. FORESTRY. H. R. 13237, by Rep. Teague of Texas, for the relief of certain persons having summer homes in the Rio Grande Canyon summer home group, in the Rio Grande National Forest; to Agriculture Committee.

28. PRICE SUPPORTS. H. R. 13240, by Rep. Udall, to terminate price supports and acreage and marketing restrictions on basic agricultural commodities and feed grains, and to provide for acreage payments during a transitional period; to Agriculture Committee.

29. WHEAT ACREAGE. H. R. 13241, by Rep. Cooley, to amend section 309 of the Food and Agriculture Act of 1962; to Agriculture Committee.

30. CONTRACTS. H. R. 13242, by Rep. O'Hara, Mich., to provide wage standards for persons engaged by Federal contractors or subcontractors to furnish services or maintenance work to Federal agencies; to Education and Labor Committee.

ADJUSTMENT OF POSTAL RATES—FEDERAL EMPLOYEES SALARY ACT OF 1962—AMENDMENTS

Mr. LAUSCHE. Mr. President, I send to the desk an amendment to H.R. 7927, the postal rate bill, which is now pending before the Senate. I ask that the amendment be printed.

The VICE PRESIDENT. The amendment will be received, printed, and will lie on the table.

Mr. LAUSCHE. The amendment contemplates striking from the bill all the sections which provide for an increase in the salaries of the legislative employees of the Government. My amendment is predicated upon the fact that 2 years ago a 10-percent increase was granted. There still is latitude, in the judgment of each Senator, to increase the salary of his employees under existing law. I do not feel that the proposed indirect pressure ought to be applied to Senators to increase the salaries of their employees while under existing provisions such increases may be granted if the Senator so desires. I observe that the bill would place a limitation of $21,500 on such salaries, and that salaries could be lifted to that amount. I do not think the proposal is justified at this time.

Mr. McNAMARA. Mr. President, I submit an amendment, intended to be proposed by me to House bill 7927, the postal rate bill.

This amendment would affect the proposed rates increase for bulk mail sent under third-class postal privileges.

This minimum rate presently is 2½ cents per piece.

This bill would raise this to 2⅝ cents on January 6, 1963; to 2¾ cents on January 1, 1964; and to 2⅞ cents on December 31, 1964.

My amendment would call for the minimum rate on bulk mail to be 2¾ cents after January 6, 1963, and to 3 cents on January 1, 1964.

In addition to being tidier arithmetic my amendment makes economic sense.

The new rate on individually mailed pieces under third class would remain at 4 cents, as proposed by the bill.

The VICE PRESIDENT. The amendment will be received, printed, and will lie on the table.

Mr. CARROLL. Mr. President, I submit two amendments to the bill before us today, H.R. 7927, an act to adjust postal rates.

My amendments are designed to preserve the traditional and long established practice of allowing the publications of nonprofit organizations and classroom publications to be mailed at rates lower than the regular rate.

Senators may not be aware that the bill which we are considering does in large part abolish this practice.

This bill as it is now written will cost each and every nonprofit organization which publishes a newspaper or bulletin or which uses the mail to solicit funds a staggering increase in their postage rates. This increase in mailing costs extends to all nonprofit religious, educational, scientific, philanthropic, agricultural, labor, veterans or fraternal organizations.

I need not remind the Senate of the important public services which the publications of these organizations provide. Many millions of Americans receive inspiration and spiritual guidance from their religious journals.

Many millions of veterans receive information and patriotic material from their veterans magazines.

Perhaps even more important than this is the fact that our nonprofit philanthropic organizations such as the National Foundation, the American Cancer Society, the American Heart Association, and all the other valuable and important health organizations depend in large part for their livelihood upon funds raised through the mails.

These organizations, Mr. President, perform a public service and as such they should be provided for under the public service part of the post office appropriation bill. We should not add to the burdens of these societies by unfairly increasing their mailing rates.

My first amendment retains the existing second-class mailing rate for all classroom publications and for all publications of nonprofit associations.

The purpose of this amendment is to restore the second-class nonprofit organization part of the postal rate bill to the version approved by the House of Representatives.

Under present law, the second-class rate for publications of nonprofit organizations is 1½ cents per pound with a minimum per copy of one-eighth of a cent.

H.R. 7927, as it passed the House, did not change this rate.

The committee version of the bill before us today raises the per pound rate over a 3-year period by 20 percent, from 1.6 cents to 1.8 cents. The minimum per copy rate is, over a 2-year period, exactly doubled from one-eighth of a cent to one-fourth of a cent.

My second amendment refers to third-class rates on publications of nonprofit organizations.

This amendment provides that the present rate on individual piece mailing and the present minimum charge per piece in bulk mailing will remain at the present level.

Thus, insofar as individual piece rates—and minimum charges per piece in bulk mailing—are concerned, my amendment would restore the bill to the original version as introduced in the House by Congressman MURRAY.

The bill before us today wisely reduces the rate per pound on bulk mailing by nonprofit organizations from 10 cents per pound for books to 6 cents per pound; and from 16 cents per pound for circulars to 9 cents per pound.

My amendment retains these cuts.

I have before me a list of the many religious, labor, veteran, and philanthropic organizations which testified in committee in opposition to an increase in opposition to an increase in nonprofit publication postal rates and I ask unanimous consent that this be made a part of the RECORD at this time for the information of Senators.

There being no objection the list was ordered to be printed in the RECORD, as follows:

COMMITTEE TESTIMONY AGAINST INCREASE IN NONPROFIT PUBLICATION POSTAL RATE INCREASED

(Hearings of March, April, May, June, July, and August, 1962)

Catholic Press Association of the United States, Inc.: Mr. Floyd Anderson, president.

AFL–CIO: Andrew J. Biemiller, director, department of legislation.

Disabled American Veterans: Freugenberger, national director of legislation.

The Christian Herald: Stewart Ford, president and publisher of the Christian Herald.

National Jewish Monthly: Edward E. Grusd, director the organ of B'nai B'rith (oldest Jewish organization in America).

Labor: Railroad workers of United States and Canada.

American Legion Magazine: James F. O'Neil, publisher.

Disabled American Veterans: William Page, public relations director.

American Legion: Robert Wise, attorney.

Association for the Blind: Jack A. Fireoved, executive director, and others.

Disabled American Veterans: Francis R. Buono.

National Council of Boy Scouts of America: Chas. M. Heistand, assistant chief.

National Foundation Medical Scientific Research Professional Education and Medical Care (formerly National Foundation for Infantile Paralysis): Mr. Jos. F. Nee, Sr., vice president.

Mr. CARROLL. Mr. President, I also ask unanimous consent that the many wires and letters which I have received from Colorado organizations in this regard may be included in the RECORD at the conclusion of my statememnt.

Mr. President, I urge all Senators to give these two amendments their very careful consideration.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Hon. JOHN CARROLL,
Washington, D.C.

DEAR SENATOR CARROLL: It has come to my attention that there are some in the Senate who favor that all users of second-class mail share in the proposed rate increase. It is my hope that you will oppose any rate increase for the American Legion and the American Legion Auxiliary (postal rate increase bill H.R. 7927).

Sincerely,

DOUG BASSETT,
Reveille Editor,
LCW Post No. 1.

DENVER, COLO.,
September 25, 1962.

Hon. JOHN A. CARROLL,
Senate Office Building,
Washington, D.C.:

Our farm paper, the Rocky Mountain Union Farmer, serves 18,500 farm families in Colorado and Wyoming. It takes in no advertising revenue, and because of rising production costs we have been forced to reduce frequency of publication twice in last 2 years. Despite this we use our columns lavishly to carry educational materials, support of Government bond drives, cancer drives, child health drives, food for peace drives. We try to help enlighten our readers on the virtues and strengths of the democratic way of life, and the need of their assuming their responsibilities in working to preserve and strengthen our American way. In short, we try conscientiously to render those services to our readers and the Nation

that every good newspaper should render its readers and nation.

Any increase in mailing rates will force us to further curtail the mailing of our paper.

Certainly the function of newspapers in helping keep the Nation informed and alert contributes sufficiently to the enlightenment of folks to deserve the lowest mailing rates Congress can see fit to make possible.

Sincerely,

GEORGE L. BICKEL,
Editor, Rocky Mountain Union Farmer.

DENVER, COLO.,
September 25, 1962.

Senator JOHN A. CARROLL,
Senate Office Building,
Washington, D.C.:

As a nonprofit organization the Monroney amendment the postal rate increase bill will drastically curtail the distribution of information necessary to our rehabilitation, child welfare, community service, and national defense programs; anything you can do to defeat this amendment would be most helpful.

RICHARD S. WITHERALL,
Commander, American Legion.

DENVER, COLO.,
February 16, 1962.

Senator JOHN A. CARROLL,
Senate Office Building,
Washington, D.C.:

The Denver Tuberculosis Society urges you to support that part of the bill, H.R. 7929, which holds the third-class postal rates for qualified nonprofit organizations at 1¼ cents as passed by the House of Representatives.

Sincerely,

Mrs. RICHARD S. BOLTEN,
President.

LAKEWOOD, COLO.,
September 25, 1962.

Senator JOHN A. CARROLL,
Senate Office Building,
Washington, D.C.:

Greatly disturbed to learn from Monsignor Cavanagh that Senate Post Office Committee approved proposal to increase second class minimum for piece rates for nonprofit religious publication from one-eighth to one-fourth per piece effective 1964. This will have very serious effect on nonprofit religious publications. Could mean up to 100 percent increase because of formula Post Office must apply. Penalizing especially smaller publications and thus less able to pay increased rate. This would have very serious effect on all Register publications, including Denver Catholic Register and Southern Colorado Register. Eight-page nonprofit newspaper weighing 2 ounces with 50,000 circulation now paying $4,875 yearly; under proposed minimum per piece increase would pay $6,500, one-third increase. Weekly nonprofit newspapers weighing 1⅓ ounces now paying $3,250 under proposed increase would pay $6,500, 100-percent increase.

FLOYD ANDERSON,
President, Catholic Press Association.

WELD COUNTY TUBERCULOSIS
AND HEALTH ASSOCIATION,
Greeley, Colo., February 14, 1962.

Hon. JOHN A. CARROLL,
Washington, D.C.

DEAR SENATOR CARROLL: The Weld County Tuberculosis and Health Association urges you to consider favorably the part of the Post Office bill, H.R. 7927, which holds third-class postal rates for qualified nonprofit organizations at 1¼ cents, as passed by the House of Representatives.

Sincerely,

PHILLIP D. WEAVER, M.D.,
President.

OIL, CHEMICAL AND ATOMIC
WORKERS INTERNATIONAL UNION,
Denver, Colo., April 5, 1962.

Hon. JOHN A. CARROLL,
Senate Office Building,
Washington, D.C.

SIR: This organization is disturbed about proposed sharp increases in second-class mail charges as they affect nonprofit publications.

We publish a tabloid newspaper, Union News, for the information and education of our members. There are about 500 cash paid subscriptions with the remainder of our circulation of about 160,000 being paid for from the dues of our members. (A portion of dues is set aside for this purpose). We send more than 500 free copies of each issue to foreign addresses, in most cases at the request of our Government, to demonstrate the American way of life to trade unionists in these various countries. We send about 200 to universities and schools at the request of these institutions.

While of course Union News supports the secular interests of this labor union and organized labor in general, at least 40 percent of our space is devoted regularly to educational matter not directly related to the union or union welfare. This includes articles in support of foreign aid, in support of free trade, in support of savings bonds and in support of various other programs conducted by the Government. In addition, space is devoted to such causes as the cancer drive.

Much space is devoted to general educational material and explanation of legislative issues.

All of this contributes to public service in a method seldom done by the commercial press, which seems to devote much of its space to promotional hoopla about the opening of the latest shopping center.

We accept no advertisting; we make no profit.

Prior to last December we published twice monthly, but for economy reasons have had to reduce to monthly publication. We hope to resume twice monthly publication in a few months, if we can afford it. An increase in postal rates would be a hardship on us.

We recognize the need for balancing postal revenues against costs, yet we believe the public service function of the post office should not be entirely overlooked.

Increases in second-class postage rates, particulary on nonprofit publications, and particularly on the nonadvertising portion of publications, will accomplish further monopolization of the press in America. No doubt Life, Time, Fortune, and maybe the Saturday Evening Post, will survive any postal increases. The daily newspapers can take it because most of their papers are distributed by carriers anyway.

But those publications which give breadth and variety to the American reading diet will suffer greatly. The rightwing National Review and the leftwing Nation will suffer; the magnificently objective Harper's may go broke. Publications of the American Legion, the Elks and many fraternal organizations will suffer. Labor publications will suffer.

A handful of magazines will come to dominate the periodical field; already monopoly exists in most cities in the daily press; already a scandalous monopoly exists in television. If this sort of curtailment of the informational diet of the people takes place, everyone will suffer. Public officials like yourself will lack outlets for your information, as will special interest groups like ourselves.

Meantime, apparently, our mail boxes will continue to be cluttered with junk mail, much of which is distributed by unscrupulous promoters who can't do business on a local basis because the better business bureau would expose them.

I plead with you to avoid excessive increases in the second-class rates as they affect nonprofit publications and as they affect the editorial content of publications (as contrasted to advertising content). Even with moderate second-class rates, we are faced with an alarming trend toward monopoly in the communications industries.

Sincerely,

RAY DAVIDSON,
Publicity Director.

ADAMS, ARAPAHOE, AND JEFFERSON
COUNTY TUBERCULOSIS ASSOCIATION,
Denver, Colo., February 16, 1962.

In re bill H.R. 7927.

U.S. Senator JOHN CARROLL,
Senate Office Building,
Washington, D.C.

DEAR SENATOR CARROLL: The board of directors of the Adams, Arapahoe, and Jefferson County Tuberculosis Association urges you to support that section of the bill H.R. 7927 which holds the third-class postal rate for qualified nonprofit organizations at 1¼ cents, as passed by the House of Representatives.

Our sincere thanks for your assistance on this important matter.

Very truly yours,

ROBERT B. O'HAIRE,
Executive Director.

NATIONAL JEWISH HOSPITAL AT DENVER,
Denver, Colo., March 8, 1962.

Senator JOHN A. CARROLL,
Senate Office Building,
Washington, D.C.

DEAR SENATOR CARROLL: I am writing in behalf of the National Jewish Hospital in order to solicit your important support of the Senate equivalent of H.R. 7927. It is imperative for the future welfare of nonprofit and completely free hospitals such as the National Jewish Hospital that third-class postal rates not exceed the rate of 1¼ cents.

I am sure I do not have to detail for you the invaluable contributions which our institution has made to the health and welfare of the citizens of Colorado and of the entire Nation. Its 63-year history has been replete with medical wonders which have contributed immeasurably to the control of tuberculosis and other important discoveries in the area of chest disease medicine.

With many thanks for your understanding cooperation, and with every good wish.

Respectfully,

RICHARD N. BLUESTEIN,
Executive Vice President.

Mr. CARROLL. Mr. President, I ask unanimous consent that brief explanations of the two amendments be printed in the RECORD at this point.

There being no objection the explanations were ordered to be printed in the RECORD, as follows:

Carroll Amendment No. 1 retains intact existing second-class postal rates for classroom publications and for the publications of nonprofit associations. These include labor, religious, fraternal, and philanthropic organizations. This amendment restores the Senate bill in this respect to the version approved by the House.

These special mailing rates have existed for many years because the Congress has felt these organizations perform a public service.

Carroll Amendment No. 2 retains existing individual piece rates and the existing minimum charge per piece in bulk mailings of third-class mail by nonprofit organizations. This restores in this respect the Senate bill to the version approved by the House. This amendment retains the reduction on pound rates in bulk mailings as embodied in the Senate version of the bill.

Mr. CARROLL. Mr. President, I ask unanimous consent that the text of the two amendments be printed in the RECORD at this point.

There being no objection the amendments were ordered to be printed in the RECORD, as follows:

On page 13, beginning with line 9, strike out the remainder of the page and insert in lieu thereof the following:

"(2) The rates of postage on classroom publications mailed in accordance with subsection (a) are as follows:

"[In cents]

Rate per pound:	
Advertising portion:	
Zones 1 and 2	1.5
Zone 3	2.0
Zone 4	3.0
Zone 5	4.0
Zone 6	5.0
Zone 7	6.0
Zone 8	7.0
Nonadvertising portion	1.5
Minimum charge per piece	.125

"(3) The rates of postage on publications of qualified nonprofit organizations mailed in accordance with subsection (a) are as follows:

"[In cents]

Rate per pound	1.5
Minimum charge per piece	.125"

On page 16, strike out lines 9 to 12 and insert in lieu thereof the following:

"(c) (1) Subject to the minimum charge per piece provided in paragraph (2) of this subsection, the postage rates on third-class mail mailed by qualified nonprofit organizations are as follows:

"Type of mailing	Rate	Unit
	Cents	
(1) Individual piece	3	First 2 ounces or fraction thereof.
	1½	Each additional ounce or fraction thereof.
(2) Bulk mailings under subsection (e) of this section of:		
(A) Books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants.	6	Each pound or fraction thereof.
(B) Other matter	9	Do.

"(2) Matter mailed in bulk under subsection (e) of this section by qualified nonprofit organizations shall be subject to a minimum charge per piece of 1¼ cents."

The VICE PRESIDENT. The amendments will be received and printed and will lie on the table.

Mr. CARROLL. Mr. President, I hope that the chairman of the important committee which has reported the bill to the Senate will be willing to take these two amendments to conference.

REEDER MOTOR CO.—CORRECTION IN ENROLLMENT OF BILL

On motion of Mr. MANSFIELD, and by unanimous consent, it was

Ordered, That in the engrossment of the bill (S. 2873) for the relief of Claude S. Reeder, and Reeder Motor Co., Inc., amended and passed by the Senate on yesterday, the Secretary of the Senate be, and he is hereby, authorized and directed to make the following correction; namely, on page 2, line 3, strike out "them, or either of them," and insert "it".

REFERENCE TO COMMITTEE OF BILL

Mr. MANSFIELD. Mr. President, at the request of the chairman of the Committee on the Judiciary and the chairman of the Committee on Finance, I ask unanimous consent that Calendar No. 1242, H.R. 1961, to amend sections 1, 17a, 57j, 64a(5), 67b, 67c, and 70c of the Bankruptcy Act, and for other purposes, and Calendar No. 1243, H.R. 4473, to amend the Bankruptcy Act with respect to limiting the priority and nondischargeability of taxes in bankruptcy, be referred to the Committee on Finance for consideration.

Mr. JAVITS. Mr. President, I have an amendment to one of these bills, which refers to salaries of salesmen. I am told by our Secretary that this request is a personal request of the Senator from Virginia [Mr. BYRD].

Mr. MANSFIELD. Yes.

Mr. JAVITS. I have the highest respect for the Senator from Virginia, and I shall not interpose any objection.

The VICE PRESIDENT. Without objection, it is so ordered.

PROPOSED LEGISLATION RELATING TO SMALL BUSINESS—EXTENSION OF TIME FOR BILLS TO LIE ON THE DESK

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the bill (S. 3736) to amend the Internal Revenue Code of 1954 with respect to the income tax treatment of small business investment companies, and the bill (S. 3737) to amend the Small Business Investment Act of 1958, introduced by me on September 20, which were ordered to lie on the table for 1 week, may remain on the table through October 1.

The VICE PRESIDENT. Without objection, it is so ordered.

CREATION OF JOINT COMMITTEE TO STUDY THE ORGANIZATION AND OPERATION OF THE CONGRESS—ADDITIONAL COSPONSORS OF CONCURRENT RESOLUTION

Under authority of the order of the Senate of September 24, 1962, the names of Senators MUSKIE, MILLER, PELL, RANDOLPH, CHURCH, SALTONSTALL, MCGEE, MOSS, DOUGLAS, KEATING, JAVITS, LONG of Hawaii, BURDICK, and WILLIAMS of New Jersey were added as additional cosponsors of the concurrent resolution (S. Con. Res. 93) to create a joint committee to study the organization and operation of the Congress and recommend improvements therein, submitted by Mr. CLARK (for himself and other Senators) on September 24, 1962.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. WILLIAMS of New Jersey:

Address delivered by Abe Ribicoff, Democratic candidate for the U.S. Senate, before the Stamford (Conn.) Chamber of Commerce, on September 24, 1962.

By Mr. ENGLE:

Column entitled "America Should Get Ready for Tourists," written by Selden Menefee and published in the San Juan (Calif.) Record, Fair Oaks, Calif., September 20, 1962.

By Mr. WILEY:

Editorial entitled "U Thant's Decision," published in the Christian Science Monitor of September 19, 1962, being an appraisal of Secretary General U Thant toward the responsibilities of the United Nations and a clarifying definition and discussion of the fundamental purposes of the United Nations.

TRIBUTE TO THE LATE SENATOR HENRY C. DWORSHAK

Mr. JORDAN of Idaho. Mr. President, it is my pleasure and privilege to represent Idaho in the U.S. Senate by appointment to the vacancy caused by the death of a fine Senator and a great American, the late Senator HENRY C. DWORSHAK. His life and accomplishments are evident that hard work, intelligence, integrity and perseverance against odds still pay off.

Senator DWORSHAK was born in Duluth, Minn., August 29, 1894. He attended the public schools there and when he was 15 years of age, went to work in the printing trade. In 1917, he married Georgia Lowe, and the following year he joined the U.S. Army and went overseas as a sergeant in the 4th Antiaircraft Machinegun Battalion. When he returned to Duluth, he became manager of a printer supply house.

In 1924, he and his family came to Idaho, where he was editor and publisher of the Burley Bulletin until 1944. He was active in community, civic and State affairs. He was President of the Idaho Editorial Association in 1931. He was commander of the Department of Idaho American Legion in 1932. He served as Governor of the Idaho-Utah District of Rotary International and was installed in Nice, France, to that office in 1937.

He was elected as a Republican to represent Idaho's second district in the 76th Congress. He took office January 3, 1939. He was elected to the three succeeding Congresses to November 5, 1946, when he resigned to become U.S. Senator. He had won the right to fill the vacancy

caused by the death of the late Senator John Thomas. Except for the period from January 3, 1949, until October 14, 1949, he served in the U.S. Senate until his death July 23, 1962.

During this tenure of 23 years he was on many important committees and was the sponsor of legislation of national importance. As a member of the House and later the Senate Appropriation Committees, he gained a vast fund of knowledge and understanding of all the operations of the Government. His particular interest was in the field of natural resources. He worked closely with those agencies which manage our water, land, mineral, and forest resources. He was ranking minority member of the Senate Interior and Insular Affairs Committee at the time of his death. He was an advocate of close cooperation between the States and the Federal Government in planning and developing new projects.

Mr. President, the late Senator DWORSHAK was held in high esteem by the people of my State. I have here several editorials written by his friends of the fourth estate. I have also a prayer that was given on the floor of the Senate by our distinguished Senate Chaplain. These editorials and this prayer in words and phrases more eloquent than mine, express the respect and affection of his many friends. I ask unanimous consent that the editorials and this prayer be inserted in the RECORD at the close of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JORDAN of Idaho. Mr. President, Senator DWORSHAK was a champion of full development of our Nation's water resources. The Palisades Dam on the Upper Snake River was one of his personal triumphs. He worked hard and successfully in sponsoring authorization and appropriations for it, and when it was dedicated in 1957 he was justly proud.

Now we have another project on which he worked since 1953. He has tirelessly pushed ahead to acquaint the Congress and the public with the many advantages of this project. It is presently known as Bruces Eddy.

The Bruces Eddy project site is located on the North Fork of the Clearwater River, one and nine-tenths miles above Ahsahka, Idaho, which is at the confluence of the North Fork and the mainstem of the Clearwater River. The Corps of Engineers studied the Bruces Eddy project in 1953, and the project was recommended in the report entitled, "Review Report on Columbia River and Tributaries, Middle Snake River Basin, Lewiston to Pittsburg Landing, Idaho, Oregon, and Washington," presented in Senate Document 51, 84th Congress, 1st session.

A public hearing was held on Bruces Eddy project on November 20, 1953. Subsequently, the site was given consideration by private utility companies, and a Federal Power Commission preliminary permit for investigation of the possibilities of the Bruces Eddy site for hydroelectric power was issued to the Pacific Northwest Co., a combination of four private utility companies, in August, 1954, and extended in February, 1956. Office studies and limited foundation explorations of the development were initiated by the permittee, but were later discontinued. The preliminary permit expired in July, 1957.

The Corps of Engineers has long listed this as the most optimum site in the Northwest as yet undeveloped.

Mr. President, my interest in Bruces Eddy goes back to its early origin. As Governor of Idaho from 1951 to 1955, I was one of this project's early public supporters, as was Senator DWORSHAK. The Bruces Eddy project is a multipurpose development with benefits to power generation, flood control, navigation, and recreation. The benefit-to-cost ratio as presently planned is 1.7 to 1. As more is known about the navigation benefits and flood control, quite likely the benefit-to-cost ratio will be even greater than originally estimated. Regional development depends very much upon navigation, and there are as yet unknown natural resources and development which could make the Bruces Eddy project even more valuable in this respect.

This project will have an ultimate installed capacity for power development of 690,000 kilowatts, which will be vital to the continuous growth of our State. It will provide needed flood control to prevent damage in the immediate area of the project as well as downstream on the Clearwater, Snake, and Columbia. In addition, the shoreline and the reservoir itself will provide many important recreational benefits for local residents, as well as providing a basis for increasing the tourist industry in the area. It will also furnish access to valuable stands of timber that have heretofore been inaccessible.

The late Senator DWORSHAK was an enthusiastic booster for this project. His correspondence record is filled with letters to persons who asked for information about the project. He has appeared before numerous hearings and has asked that both sides of the question concerning storage on the North Fork of the Clearwater be given full publicity, and that anyone interested should be permitted to appear and testify. The testimony is too voluminous to go into detail here, but at a Public Works Appropriations Subcommittee hearing held on May 7, 1959, he brought out in testimony justifying his request for $770,000 in advance planning, that this dam and reservoir would be a vital part of the comprehensive development of the Columbia Basin. He pointed out at that time that the Clearwater River discharges more than 10 million cubic feet of water annually, which is comparable to the amount of water discharged by the great Colorado River near Flagstaff, Ariz., and that there are no storage reservoirs of any kind on the Clearwater River. Senator DWORSHAK was instrumental in securing appropriations for planning and advance design engineering in the amount of $2,571,000, even though this project has not yet been authorized by Congress.

I have reasonable assurance that authorization for Bruces Eddy will be included in the public works omnibus bill of this session, and I trust that funds for initial construction will be made available for immediate use.

Mr. President, at the proper time, either by resolution or amendment, as a fitting memorial to my distinguished predecessor for his many years of tireless work in resource development and for his patience and perseverance in promoting this project, I intend to ask my colleagues of this Congress to join me in implementing a change of names from Bruces Eddy to Dworshak Dam.

EXHIBIT 1

[From the Idaho State Journal, July 24, 1962]

A MAN OF INTEGRITY

Idaho marks today the loss of her most distinguished citizen, Senator HENRY DWORSHAK, who has served his State and Nation in Congress for more than 20 years.

No matter who was elected to the other three seats in the Idaho delegation, it has been taken for granted since 1939 that Senator DWORSHAK would be representing the Gem State in Washington.

A man of great dedication to a select philosophy of government, he had been Idaho's prime choice for many years as its guardian of fiscal integrity. That was what he did best, and that was what he wanted to do best.

It has often been said of Senator DWORSHAK that "he looks like a Senator," and indeed he did. He wasn't the storied image of the Senator with baggy pants and a string tie, but he was a man of distinguished appearance. His trademark was his great white shock of hair and a sturdy build that honestly portrayed his character.

It was his appearance that made his death such a shock to those who had met him. There had been bouts with serious illness, but is was unbelievable he was not recovered. He radiated health. He was a robust man, whose appearance foretold only more years of service in the Senate.

His stature gave him the right to become a National Senator, but his first loyalty was to Idaho. In the past week alone he inquired what he could do to expedite flood control work in Pocatello and to prevent the closure of the airport control tower here.

It is worth mention today, when Alameda and Pocatello are to become one city, that he was among the first to wire his congratulations last March 20 when consolidation was approved. The wires are already arriving from officials aware of what is taking place here today. Had he lived another day, Senator DWORSHAK would have added his regards. It would have been similar to his last direct word to the people of this community on March 21, when he said:

"Congratulations to the citizens who have approved consolidation of Alameda and Pocatello into Idaho's largest city. This should make possible full utilization of opportunities available to develop the Gate City's resources. This demonstration of community solidarity should prove extremely valuable in future growth of Bannock County."

Bannock County and the rest of Idaho will miss the personal interest of Senator HENRY DWORSHAK.

[From the Nampa (Idaho) Free Press, July 28, 1962]

A GREAT LOSS

We're sorry to have been unable to comment earlier on the passing of Idaho Senator HENRY DWORSHAK.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. STENNIS. I yield to my colleague.

Mr. EASTLAND. Is that not especially true since the district court heard the case on its merits and decided against the applicant?

Mr. STENNIS. The Senator is correct. The court tried to give the State an opportunity to be heard with a stay of execution or a stay of proceedings.

Mr. EASTLAND. The district court heard both sides of the case.

Mr. STENNIS. Yes.

Mr. EASTLAND. Yet some contend the circuit court of appeals could prevent the State from presenting its side of the case and could prevent a hearing by the highest Court of this land, even though the State prevailed in the district court.

Mr. STENNIS. The Senator makes the point well.

Mr. President, I assure the Senate that I am going to make a special study of this matter I have mentioned concerning the jurisdiction of the circuit court of appeals and its power to act in such an extreme fashion before a case is even reviewed by the Supreme Court of the United States. I appeal to my colleagues on behalf of the spirit of our great Constitution and all the laws that go with it, apart from all racial matters or anything else, to make common cause and remedy this defect.

Mr. JAVITS subsequently said: Mr. President, I ask unanimous consent that I may proceed for 5 minutes in reply to the Senators from Mississippi.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JAVITS. Mr. President, normally one would sit silently and hear the Senators from Mississippi defend their State and their Governor, according to their lights. It is almost a tradition of the Senate, that Members of the Senate sit by while such statements are made. I do not claim that that is not done by Senators from other States. We from New York have done it, and Senators from other States have done it.

However, in this case, I do not know whether Senators are aware that during the morning hour today I declared my own support of the President of the United States and the Attorney General of the United States in the very serious situation which is taking place with respect to the action of the Governor of Mississippi.

When Government officials take such very serious actions, involving perhaps the use of force with respect to other Government officials, I believe they are entitled to hear, on the spot, from those who think they are doing the wrong thing, as we have just heard so very eloquently and forcefully from the Senators from Mississippi, and also from those who support them. This is the very important issue that is at stake.

First, I call attention to some errors of fact.

This matter has nothing whatever to do with the Brown against Board of Education case. We are not dealing here with public primary and secondary school desegregation. We are dealing with a set of Supreme Court decisions which have been very widely applied in the South. This deals with decisions which have held that State colleges, supported by public funds, must, under the Constitution of the United States, admit students without regard to their color. The "separate but equal" doctrine should never have been applied in those cases. I have never heard the argument made against them on the ground that they were consistent with the "separate but equal" doctrine, which was disposed of in the Brown case.

Second, it was stated that a former President of the United States, President Eisenhower, regretted sending troops into Little Rock. I have no doubt that he did regret it. I would regret it, too. Anyone would. If President Kennedy must do the same thing in Mississippi, he will regret it, also. However, that does not relieve him of his duty. No doubt he will regret it terribly. What is most regrettable, however, is that such action should be forced upon him by the contumacious behavior of a government official who is dedicated and who has sworn to support the law. Such action would be regretted by any patriotic man, by any man with a heart. Such a man could not fail to regret having to take such a step.

That is all the more reason why he must take it if the situation necessitates it. That is why we cannot sit silent in the face of that awful Presidential responsibility which may have to be exercised.

We know what is involved. We know that what is involved is the Constitution of the United States and the preservation of the Union. Every citizen of Mississippi is also a citizen of the United States. Every citizen of Mississippi is protected by the amendments to the Constitution of the United States, which operate in behalf of every citizen of Mississippi.

The doctrine of interposition, the idea that the Governor of any State is immune from the processes of the Federal courts, would destroy the Federal Constitution and pull down the Government of the United States, and nullify the Civil War. We all know that, and it ought to be said. Too much blood and too much treasure have been spent over this proposal.

Of course, the Senator from Mississippi is correct when he says that the courts should proceed in their proper way. There is no reason why that cannot be done. The Governor of Mississippi can appeal to the Supreme Court of the United States from any court mandate or order made by the Circuit Court of Appeals in New Orleans. However, we are entitled to know from the Governor of Mississippi whether, if the Supreme Court holds that Meredith should be admitted to the University of Mississippi, the Governor of Mississippi will defy that order.

That is the question to which the country is entitled to know the answer, at the same time that the plea is made that orderly and legal processes ought to be followed. There is no more salutary way to handle such an explosive and emotional situation as this.

I do not question the sincerity of the Senators from Mississippi, both as to their belief in the issue and what they say. I do not question that the way to proceed is through orderly processes of law. I could not agree more.

That is the very reason why we should have passed Part III of the Civil Rights Act, because it would have given voice and outlet to every one of these measures, instead of forcing the Department of Justice to move in through the backdoor, as it has in this case, to sustain an order already made in a privately brought suit in which the Department could not participate.

By all means let us follow orderly processes of court. At the same time let us have a commitment from the Governor of the State of Mississippi that he will abide by the processes of the court. Then the situation will be firm and strong and unchallenged.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its residing clerks, announced that the House had agreed to the amendment of the Senate to the bill (H.R. 9472) for the relief of Janina Tekla Gruszkos.

The message also announced that the House further insisted upon its disagreement to the amendments of the Senate numbered 1, 2, 6, 19, 44, 47, 48, 49, 50, 51, 52, 53, and 54 to the bill (H.R. 12648) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1963, and for other purposes; agreed to the further conference asked by the Senate on the disagreeing votes thereon, that Mr. WHITTEN, Mr. NATCHER, Mr. CANNON, Mr. HORAN, and Mr. TABER were appointed managers on the part of the House at the further conference.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 12907) for the relief of Dr. Mehmet Vecihi Kalaycioglu; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. WALTER, Mr. FEIGHAN, Mr. CHELF, Mr. POFF, and Mr. MOORE were appointed managers on the part of the House at the conference.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H.R. 12526) to amend section 172 of the Internal Revenue Code of 1954 to provide a 7-year net operating loss carryover for certain regulated transportation corporations, and it was signed by the President pro tempore.

POSTAL SERVICE AND FEDERAL EMPLOYEES SALARY ACT OF 1962

The Senate resumed the consideration of the bill (H.R. 7927) to adjust postal rates, and for other purposes.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. What is the pending business?

The PRESIDING OFFICER. The bill before the Senate is H.R. 7927, to adjust postal rates, and for other purposes.

Mr. MANSFIELD. Has debate started on the pending business as yet?

The PRESIDING OFFICER. The committee amendment is open to amendment.

Mr. JOHNSTON. Mr. President, the measure before the Senate today is of monumental dimensions. It affects every user of the mails and every present and future employee of the Federal Government.

The bill has three principal parts:

First, an upward adjustment now in all postal rates and fees in order to curtail the mounting postal deficit which now confronts the Government.

Second, an overall reform and modernization of the several statutory pay systems in the Federal service.

Third, an overdue and justified adjustment in the benefits of persons on the retirement rolls.

COMPLEX PROBLEMS

Each of the three major portions of the bill has a multitude of complex problems of its own.

Adjusting postal rates is an extremely involved, deadly serious, and very far-reaching matter. The overall rate structure is like a precision watch in which, if accurate time is to be kept, each part must be geared to every other part. One rate cannot be changed independently of other rates. To do so could give an advantage to an industry that might result in the death of a competing industry. At the very least, it might result in shifting a large volume of mail from one category to another and in the end result in denying the Post Office Department anticipated revenue.

In many respects the several statutory pay systems of the Federal service are as interrelated and equally complex as the rate structure of the postal service. Adjustments cannot be made under one system without consideration of all other systems. This is true because the Government employs the same skills under each of the different statutory pay systems. For example, the Government has doctors in many departments and agencies under the Classification Act and also under the division of medicine and surgery pay schedule applicable to the Veteran's Administration. Unless comparability is maintained the Government would find itself in competition with itself for the services of doctors. This example could be extended to include hundreds and hundreds of other professions and skills. The Government employs persons having practically every skill that can be imagined.

POSTAL RATE BACKGROUND

Congress must be very careful about making postal rate adjustments.

Postal rates adjustments were last approved in 1958 on a staged basis becoming fully effective as recently as 1961. The matter of further increases has been under active consideration almost continuously during the entire period of time down to the present date.

Last year the House Committee on Post Office and Civil Service, after extended public hearings and many executive sessions, reported a reasonably sound bill which would have provided $550 million in additional revenue when fully effective. Due to ill-advised and totally inequitable amendments adopted in an air of utter confusion during the closing moments of the session, the bill referred to the Senate was little less than a chaotic monstrosity. Under these circumstances the Senate Post Office and Civil Service Committee had no alternative but to start afresh on the construction of a sound measure that would at one and the same time produce needed revenues and yet not hamstring the Nation's economy.

To this end public hearings were started on March 6, 1962, and concluded on August 23, 1962. The testimony from users of the mails extends to over 1,000 printed pages. Statements were inserted by over 190 witnesses. More than 100 individual organizations and companies filed views for the record. More than 200 statements from companies, organizations, and individuals were submitted for committee consideration.

PARTICIPATION AND COOPERATION

Prior to, during, and after the long public hearing a close and harmonious liaison has existed between the committee and the Post Office Department.

Postmaster General J. Edward Day and his assistants have been cooperative, helpful, and patient every step of the way. I commend General Day highly for his understanding and assistance. It has been refreshing to work in such an atmosphere.

A special word of commendation is due many of the efficient technicians on his staff. Mr. Edward Riley, who has over 30 years experience in postal matters, contributed freely not only of his official time but of his nights and weekends. Mr. Arthur Eden directed the preparation of a great amount of statistical data. Mr. Louis Ricucci supervised the preparation of a vast amount of art work. To these fine postal employees and others who labored behind the curtains the committee extends its sincere appreciation for a job well done by them.

The same type of liaison has been maintained with and cooperation received from associations and individual representatives of mail users.

The National Editorial Association, representing over 6,000 publishers and editors in the 50 States, through its able executive vice president, Theodore A. Serrill, was of great assistance in working out an acceptable method of eliminating an outmoded and unduly complex within-county-of-publication rate structure that has plagued the Department and newspaper industry for years. His efforts and the cooperation of the industry he represents is appreciated by the committee. Similarly, the committee appreciates the cooperation it received from Mr. Sanford Smith, general manager, American Newspaper Publishers Association, and many individual members of that association particularly the postal committee chairman, Ralph Nicholson.

Equally cooperative were representatives of the Magazine Publishers Association, Associated Third-Class Mail Users, American Association of Nurserymen, Farm Publications, and many, many others all of whom by their testimony established themselves as good citizens, first, and special favor seekers from the postal service, not at all.

Finally, the individual members of the committee are due a special word of commendation from the chairman for their diligence and dedication to the task. The product before the Senate represents days and days of hearings, days and days of study, more days and days of serious discussion in executive session. Every member of the committee contributed greatly to the end result. I appreciate personally the great help and fine degree of cooperation on the part of every member of the committee. The Senate, the executive branch, and the public would be amiss not to take note of the job they have done.

In that connection, a well meant but extremely serious word of caution is in order. The postal rate structure is, of necessity, a finely tooled and interrelated piece of legislation that does not lend itself to impetuous alteration on the floor. Those who would rush in at this late hour with any such purpose in mind should do so in the full knowledge that any degree of success on their part would do no less than kill the bill.

It should be remembered that the bill also includes provisions for pay increases for all Government workers, and also includes provisions for increasing the retirement benefits of all who formerly worked for the Government and are now retired. All these provisions could be endangered by precipitate action at this time, because all of them are included in this one bill. It should also be realized that if our committee had not added to the postal rate bill these provisions for pay increases for the Government employees, we could not now be passing on that question, inasmuch as no pay-increase bill has come to us from the House of Representatives. The same is true of the provisions for increasing the retirement benefits of former Government employees.

To kill the bill would be a tragic end to a bill that has been under construction for well over a year, and which is acceptable to the public, who must pay the bill, and to the Post Office Department and the Government, who badly need the additional revenue and reforms the measure will produce. I am fully confident the Senate will, in its wisdom, support the committee by accepting the bill without change, so that soon it may be taken through conference and sent to the President for approval. I am satisfied that when that is done, the bill will be in substantially the form in which it is at the present time.

ADDITIONAL REVENUES

The bill will produce additional revenue when fully effective as follows:

	Millions
First class (letters and cards)	$437.8
Airmail (letters, cards and parcels)	21.2
Second class (newspapers, magazines, and other publications having second-class entry)	26.6
Controlled circulation publication	1.0
Third class	97.2
Fourth class	1.0
Federal mail	21.0
Total	603.0

It will be recalled that in the bill we do very little in regard to regulating fourth-class rates. That is done by the Interstate Commerce Commission, which has before it a proposal to increase the fourth-class rates by approximately $130 million.

Mr. COOPER. Mr. President, will the Senator from South Carolina yield briefly?

Mr. JOHNSTON. I yield.

Mr. COOPER. Does the report indicate the revenue increase obtained from the proposed increase in the rate on first-class mail?

Mr. JOHNSTON. I just stated it, and it is also shown on page 2 of the report.

Mr. COOPER. Is it shown by the various classes of mail?

Mr. JOHNSTON. We classify it in two ways—by letters and by postal cards.

Mr. COOPER. I was looking for a division as between the revenue from letters and the revenue from postal cards. However, the Senator's assistance has just now shown me such a classification.

Mr. JOHNSTON. Mr. President, I ask unanimous consent to have printed at this point in the RECORD committee print table No. 8, entitled "Analysis of Postal Rate Increases."

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Analysis of postal rate increases (new revenues based on 1963 volume)

Mail class	Postage rate unit	Present rate	First year (1963)		Second year (1964)		Third year (1965)	
			Rate	New revenues	Rate	New revenues	Rate	New revenues
				Millions		*Millions*		*Millions*
First class:								
Letters	Per ounce	4 cents	5 cents	$409.6	5 cents	$409.6	5 cents	$409.6
Drop letters	do	3 cents	4 cents	1.8	4 cents	1.8	4 cents	1.8
Cards	Per card	3 cents	4 cents	26.4	4 cents	26.4	4 cents	26.4
Total				437.8		437.8		437.8
Airmail:								
Letters	Per ounce	7 cents	8 cents	16.0	8 cents	16.0	8 cents	16.0
Cards	Per card	5 cents	6 cents	.3	6 cents	.3	6 cents	.3
Parcel post	Per pound	By zones [1]	(1) (2)	4.9	(1) (2)	4.9	(1) (2)	4.9
Total				21.2		21.2		21.2
2d class:								
In-county:								
Free mail	Per pound	Free	1 cent (lb.)	.9	1 cent (lb.)	.9	1¼ cents (lb.)	2.2
Pound-rate matter	do	1 cent	⅛ cent (min.)		⅛ cent (min.)		¼ cent (min.)	
	Minimum per copy	⅛ cent						
Per-copy-rate matter	Per copy	1 cent or 2 cents.	Present rates	.3	Present rates	.3	Present rates	.3
Outside county:								
Regular publications:			3 annual 4 percent increases					
Editorial	Per pound	2½ cents	2.6 cents (lb.)		2.7 cents (lb.)		2.8 cents (lb.)	
Advertising:			3 annual 10 percent increases (adjusted)					
Zones 1 and 2	do	3 cents	3.4 cents (lb.)		3.8 cents (lb.)		4.0 cents (lb.)	
Zone 3	do	4 cents	4.4		4.8		5.0	
Zone 4	do	6 cents	6.4		6.8		7.0	
Zone 5	do	8 cents	8.4	6.4	8.8	14.2	9.0	20.3
Zone 6	do	10 cents	10.4		10.8		11.0	
Zone 7	do	12 cents	12.0		12.0		12.0	
Zone 8	do	14 cents	14.0		14.0		14.0	
	Minimum per copy	½ cent	0.6 cent (min.) [3]		0.8 cent (min.) [3]		1 cent (min.) [3]	
Nonprofit publications	Per pound	1½ cents	1.6 cents (lb.)	.8	1.7 cents (lb.)	1.5	1.8 cents (lb.)	1.7
	Minimum per copy	⅛ cent	⅛ cent (min.)		¼ cent (min.)		¼ cent (min.)	
Classroom publications:			60 percent of regular rates					
Editorial	Per pound	1½ cents						
Advertising:								
Zones 1 and 2	do	1½ cents						
Zone 3	do	2 cents						
Zone 4	do	3 cents		.3		.6		1.0
Zone 5	do	4 cents						
Zone 6	do	5 cents						
Zone 7	do	6 cents						
Zone 8	do	7 cents						
	Minimum per copy	⅛ cent						
Transient rate	First 2 ounces	2 cents	4 cents	1.1	4 cents	1.1	4 cents	1.1
	Each additional ounce	1 cent	1 cent		1 cent		1 cent	
Fees:								
Original entry—circulation under 2,000		$25	$30		$30		$30	
Original entry—circulation 2,000–5,000		$50	$60		$60		$60	
Original entry—circulation over 5,000		$100	$120	.03	$120	.08	$120	.03
Reentry		$10	$10		$10		$10	
Additional entry		$10	$15 (zones 3–8, $50)		$15 (zones 3–8, $50)		$50 (zones 3–8, $50)	
News agent registry		$20	$25		$25		$25	
Total				9.8		18.6		26.6
Controlled circulation	Per pound	12 cents	12½ cents	.3	13 cents	.6	13½ cents	1.0
	Minimum per piece	1 cent	1 cent		1 cent		1 cent	
Total				.3		.6		1.0
Third class:								
Single piece	1st 2 ounces	3 cents	4 cents	34.5	4 cents	34.5	4 cents	34.5
	Each additional ounce	1½ cents	2 cents	10.3	2 cents	10.3	2 cents	10.3
Bulk rate:								
Regular:								
Circulars, etc	Per pound	16 cents	18 cents	3.1	18 cents	3.1	18 cents	3.1
	Minimum per piece	2½ cents	2⅝ cents	13.2	2⅝ cents	26.3	2⅞ cents	39.5
Books, catalogs, etc	Per pound	10 cents	12 cents	3.9	12 cents	3.9	12 cents	3.9
	Minimum per piece	2½ cents	2⅝ cents	.5	2⅝ cents	1.0	2⅞ cents	1.5

Footnotes at end of table.

Analysis of postal rate increases (new revenues based on 1963 volume)—Continued

Mail class	Postage rate unit	Present rate	First year (1963)		Second year (1964)		Third year (1965)	
			Rate	New revenues	Rate	New revenues	Rate	New revenues
				Millions		*Millions*		*Millions*
Third class—Continued								
Bulk rate—Continued								
Nonprofit:								
Circulars, etc.	Per pound	16 cents	50 percent of regular commercial rates					
	Minimum per piece	1¼ cents						
Books, catalogs, etc.	Per pound	10 cents		−$0.6		$0.7		$1.8
	Minimum per piece	1¼ cents						
Bulk mailing fee	Calendar year	$20	$30	2.6	$30	2.6	$30	2.6
Total				67.5		82.4		97.2
Fourth class:								
Educational materials	1st pound	9 cents	9½ cents	.5	10 cents	1.0	10 cents	1.0
	Each additional pound	5 cents	5 cents		5 cents		5 cents	
Library materials	1st pound	4 cents	Present rates		Present rates		Present rates	
	Each additional pound	1 cent						
Total				.5		1.0		1.0
Keys, etc.	Each 2 ounces	5 cents	6 cents	.1	6 cents	.1	6 cents	.1
Federal Government mail	Applicable class rates			20.5		21.0		21.0
Permit fees for mailing without stamps		$10	$15	.2	$15	.2	$15	.2
Mail mix adjustment				−3.0		−3.0		−3.0
Total new postal revenues, all classes				554.8		579.8		603.0
Estimated public service allowances				[4] 314.0		[4] 311.0		[4] 308.0

[1] Air parcel post law requires payment of not less than 1st-class rates for 1st class sent by air.

[2] Present parcel post schedule plus 8 cents per piece. First-class matter above 8 ounces, 64 cents for first 8 ounces plus 5 cents for each additional ounce or the published parcel post rate if higher.

[3] When number of copies mailed for delivery outside the county is less than 5,000, the minimum per copy is ½ cent.

[4] Consists of House figure reduced by reason of increased revenue from free-in-county, nonprofit, and classroom publications, and increased by $81.4 deemed attributable to 3d- and 4th-class post offices and rural and star routes.

On magazines containing less than 5 percent advertising the minimum charge per copy is 0.55 of a cent during 1963, 0.65 of a cent during 1964, and 0.75 of a cent thereafter.

Mr. JOHNSTON. Mr. President, copies of the table just inserted in the RECORD are available for the use of the Members of the Senate. In addition to the table, I should like to invite the attention of the Senate to the very complete sectional analysis in the official committee report that is now on the desk of each Senator.

SPECIAL PROVISIONS

Mr. President, I shall not take the time of the Senate to discuss each provision of the bill. Some are rather routine. Others are more or less self-explanatory. Others are highly technical. However, all are in keeping with the overall purpose of providing additional postal revenues on a fair and reasonable basis both to the Government and to the users of the mail. However, there are a number of features of the bill that I should like to mention briefly.

RATE ADJUSTMENTS

The approach taken by the committee was to adjust all rates and fees in an equitable and fair manner. There are some who would do this differently. Among them are those who would increase one rate and would let others remain at their present level. The committee rejected this approach—and wisely so. The committee reasoned that an increase spread across the board to all users of the mail would provide a proper amount of additional revenue, without at the same time inflicting irreparable damage to the economy of the Nation or any segment of industry.

Mr. President, listening to the many witnesses who testified before the committee, we found that many of the businesses are on the very brink of closing. Certainly we must carefully consider their situation. The testimony given to the committee, both by Government witnesses and by private witnesses, indicated clearly that we should act on this bill on the basis of that situation, even though someone who did not have those facts before him might not realize the necessity of doing so.

FURTHER STUDIES

The committee was unanimous in the view that a study should be started early next year of the cost system used by the Post Office Department and of the classification of mail.

The former is needed in order to provide the quality and kind of data needed by the Congress to enable it to carry out its ratemaking responsibilities. The latter is an absolute necessity in order to enable Congress to assign a wide variety of mail to its proper rate category. This need is best pointed up by the fact that over 9,000 separate publications now enjoy second class nonprofit rates and hundreds of others are knocking at the door trying to get in. Or it might be noted that thousands of different items move through the mails at the very low fourth-class educational rate. Many publications and items should be sorted out of the preferential rate groups and be required to pay the regular rate of postage.

A careful and judicial job in this respect could result in producing additional revenue on a continuing basis sufficient to maintain a balance in the postal budget for many years to come.

PUBLIC SERVICE

The subject of public service is something to which our committee has given a great deal of study. It has given us a great deal of trouble.

The bill resolves in a satisfactory manner a problem that has troubled both the Department and the Congress for a number of years. It does this by fixing in law a formula to be followed by the Post Office Department in determining the amount to be deemed attributable to public service in the operation of third- and fourth-class post offices and in the operation of star and rural routes.

One thing should be understood in connection with public service aspects of the postal service. It is not an appropriation matter. Neither is it a budgetary matter. It is merely a guide for the use of Congress in the fixing of rates.

Let me explain the situation by the use of figures.

If the Department estimates that it will cost $4 billion to operate the Department next year and the Appropriation Committees agree that is the amount that will be appropriated.

Now, then, if, under the provisions of existing law and the changes to be made by the bill, $300 million out of the total of $4 billion is deemed to be chargeable to public service, then the residue, or $3,700 million should be taken in by the Post Office Department in order to have a so-called balanced budget. If, however, the Department should take in only $3,500 million, then there is an actual deficit of $200 million. This then becomes a signal to the appropriate committees that rates should be adjusted to produce an additional $200 million.

I listened to the statement of the Senator from Oregon a few moments ago, which statement, by unanimous consent, was transposed to follow my remarks. I have never been in favor of the Post Office Department's balancing its budget as long as every Tom, Dick, and Harry come to the Congress and expects their 9,900 nonprofit organizations to bear only about one-eighth of the cost of their mail delivery. We cannot do that and at the same time be fair to the other mail users if we make them balance the budget.

Mr. LAUSCHE. Mr. President, if the Senator will yield, will he repeat that statement? He mentioned something about 9,000 nonprofit organizations.

Mr. JOHNSTON. Almost 10,000. There are 9,900-odd nonprofit organizations that are riding the Government by receiving a lower rate than it actually costs to carry their mail.

Mr. LAUSCHE. What percentage of the total mail is represented by that which those approximately 10,000 organizations send out?

Mr. JOHNSTON. It would be difficult to make an estimate at this time. There are a great many, and each one has a different mailing list. The Senator can imagine the difficulty of obtaining such an estimate. That is what we are going to endeavor to look into next year. I might add that it runs into billions of pieces of mail.

Mr. LAUSCHE. I thank the Senator.

Mr. JOHNSTON. If the current law, as proposed to be amended, is allowed to work as intended and the cost acertainment and mail classification studies are carried forward, we can look forward to an early end to the large postal deficits that have caused great concern in the past.

PAY REFORM

Let us consider for a few moments the pay reform provided in the bill.

Part II of the bill reforms the major statutory salary systems of the Government.

The need for immediate and sweeping reforms in the Federal pay system is found in studies made over the past several years by two administrations.

The reforms are not a pretext for a pay raise. They are designed to control payroll expenditures, with equity to both the taxpayer and Government employees, and at the same time support the recruitment and retention of high quality employees needed to carry out Government programs.

It may be useful information for my colleagues to know that in some departments there is an annual turnover of as much as 20 percent. It costs the Government a great deal of money when a department has to obtain other employees who must be trained for those particular positions.

COOPERATION

In connection with the pay reform portion of the bill—just as was the case in connection with the postal rate part—the committee has had the complete cooperation of the administration.

Chairman John W. Macy, Jr., of the Civil Service Commission, has given freely of his time in working out many involved problems. Additionally, he made the services of his able and willing staff available to the committee at all times. Among those of particular help were Robert Hare and Robert Milkey.

In an equally cooperative manner, the Bureau of the Budget provided the committee with the expert and helpful services of Dave McAfee. The Post Office Department, through Mrs. Ann Flory, helped develop the postal schedules and involved rules for putting them into effect.

The committee appreciates the great assistance received from so many during the past months.

PRINCIPLES OF REFORM

Let us consider for a few moments the principles of reform.

The bill brings about needed reform by the adoption of two principles:

First, that Federal salary rates be equal to, no more than and no less than, salary rates for comparable levels of work in private industry.

Second, within the Federal service there shall be equal pay for equal work, and pay distinctions shall be maintained in keeping with work and performance distinctions.

ADJUSTMENTS TO FULFILL ABOVE PRINCIPLES

Let us consider for a few moments the adjustments to fulfill the principles just stated.

The bill substantially revises the salary schedules in the upper grades proposed by the President, and postpones until a later date consideration of reforms at the executive level.

The final, or second stage, adjustments to become effective January 1, 1964, give effect to the President's recommendations up to grade GS–8 of the Classification Act and equivalent salary levels of other systems at this time. Salaries at grade GS–8 and above, or equivalent levels, are increasingly reduced up to grade GS–16. Starting at grade GS–16 and above, only the first stage increase is made at this time. It was understood in the committee that the second stage increase for these positions and for executive positions will be considered during the next Congress. So executive pay will be given further study.

FISCAL PICTURE

The President's bill when fully effective would cost $1,059 million. The committee bill would reduce this by some $30 million when fully effective.

The average increase for employees under the Classification Ast will be $342 in the first phase and $261 in the final phase. This amounts to 5.5 percent and 4.1 persent, respectively, of present salary rates.

For postal employees the average increase will be $446 in the first phase and $138 in the final phase, or 8.6 percent and 2.6 percent, respectively.

The difference results mainly because postal employees would receive a greater proportion of the total increase initially and a smaller proportion in the second phase.

There are also, in the bill before the Senate, certain retirement provisions.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. JOHNSTON. I yield.

Mr. LAUSCHE. I am looking at page 7 of the report, under the title "Essential flexibilities."

This section provides that there shall be created under the bill a board, the members of which would be appointed by the President. The function of the board would be to make an annual study of the comparable salaries paid in private industry as against the salaries paid by the Government.

Am I correct in my understanding that there is such a provision in the bill?

Mr. JOHNSTON. No. There was some talk of that, at first. The statistics would come from the Bureau of Labor Statistics. The Bureau would prepare the statistics each year, and the statistics would be turned over to the Congress.

Mr. LAUSCHE. The report contains these words:

To maintain Federal salaries at levels comparable with private enterprise levels

Mr. JOHNSTON. From where is the Senator reading?

Mr. LAUSCHE. From page 7 of the report, under "Essential flexibilities".

Mr. JOHNSTON. Very well.

Mr. LAUSCHE. I read the language of the report:

To maintain Federal salaries at levels comparable with private enterprise levels and to assure that other features of statutory salary systems are corrected and improved as experience shows the need, the bill provides that the President shall require an annual report, from an agency he designates, on the relationship of Federal salaries to those in private enterprise and shall submit an annual report to Congress recommending the adjustments in salary schedules, structure, and policy he considers advisable.

In connection with that statement in the report, what would be done in a situation of the type that exists in San Francisco, according to my understanding, where the Plumbers and Pipefitters Union has made a collective bargaining agreement which will result in an increase of salaries from a level of $5.33 an hour to a level of $7.57 an hour, to be reached in 1965, in 2 years and 2 or 3 months? That would be a 40-percent increase in the hourly wage.

If we are to compare salaries for plumbers and pipefitters, who will be getting $7.50 an hour in 1965, are we to be obliged to pay those salaries?

Mr. JOHNSTON. For the information of the Senator, the bill would not change the law. There is now what is known as a comparable wage scale in various sections of the United States. The salaries are regulated. It is necessary to pay salaries in various areas comparable to the salaries now paid in private industry, in the shipyards and other places. That is not provided in the bill before the Senate, but is already in the law.

Mr. LAUSCHE. That would mean that if the wage level in San Francisco, in the yards which do work for the Government, for plumbers and pipefitters was $7.50 an hour, that would be the wage paid on Government contracts.

The second question is, Would we be required to pay $7.50 an hour to Federal employees?

Mr. JOHNSTON. For the Senator's information, under the Classification Act Federal employees are paid the same salaries, throughout the United States. We would regulate their salaries in the bill, for various and sundry classifications.

The statistics to which the Senator has referred would be gathered and would be turned over to the Congress. That has to do only with the same class

of people being dealt with at the present time. Those people work on a comparable basis at the present time, and will continue to do so. Some of those do not come under the Classification Act. We do not have anything to do with those salaries. They will be paid at the same rates.

Mr. LAUSCHE. The Senator from South Carolina described two principles which guided the committee in drafting the bill.

One principle was that there should be comparability, with salaries in Federal employment equal to salaries paid in private industry.

My question is, If the pay were $7.50 an hour for a plumber or pipefitter in California, would the comparability rule require us to pay $15,000 a year for plumbers and pipefitters?

Mr. JOHNSTON. For the Senator's information, the average is taken for the entire United States.

Mr. LAUSCHE. Let us go one step further.

Mr. JOHNSTON. Those people come under what we call the blue collar groupings. The local people are regulated according to the salaries paid in private industry in that particular locale. They do not come under the Classification Act, which we are concerned with at the present time.

Mr. LAUSCHE. The average salary in the United States paid to plumbers and pipefitters would be what the Government would pay?

Mr. JOHNSTON. The average, whatever it was.

Mr. LAUSCHE. Is it not logical to assume that if plumbers and pipefitters were getting $7.50 an hour in the San Francisco area that the wage would spread across the country, and we would be obliged to pay $7.50 an hour, or $15,000 a year, even though my salary as a U.S. Senator is $22,500?

Mr. PASTORE. Madam President, will the Senator from South Carolina yield so that we may have a clarification of this point?

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). Does the Senator from South Carolina yield to the Senator from Rhode Island?

Mr. JOHNSTON. I yield.

Mr. PASTORE. Is the Senator from Ohio discussing blue collar workers, or those employed under civil service?

Mr. LAUSCHE. I am talking about the general principle used as the basis for making the recommendations. Two principles are set forth on page 6 of the report by the committee. I read from the report:

> The comparability principle: Federal salary rates shall be comparable with private enterprise rates for the same levels of work; and
>
> The internal alinement principle: There shall be equal pay for substantially equal work, and pay distinctions shall be maintained in keeping with work and performance distinctions.

If that principle applies, I contend that we would be reaching a most dangerous position. If we commit ourselves to pay to each of our employees what is paid under certain collective bargaining agreements, we shall be placed in a dangerous position.

Mr. PASTORE. That principle has applied for years. That is the system which refers to the blue collar workers. A janitor, a plumber, or a carpenter working in a Federal building today is paid according to the area level of pay for the same tasks in private industry within a certain area.

That has been the law for a long time. As I read the "essential flexibilities" we are discussing, it would mean only a report that the President would make together with his recommendations, but the final decision would be that of the Congress.

Mr. LAUSCHE. But we would declare the principle now. If we declare that to be the principle, we shall have to follow it.

Mr. PASTORE. Would the Senator wish to see a Federal employee who is doing work comparable to that of workers in private industry paid lower wages? What is wrong with the principle? The principle is a good one and it is presently established.

Mr. LAUSCHE. It may be good, and it may be bad. What assurance would there be, if private industry should pay less, that we would bring our wage levels down?

Mr. PASTORE. That is the rule today.

Mr. LAUSCHE. What justification would there be to take such action at the plant at Cape Canaveral, where workers are earning $800 and $900 a week as a result of inordinate strikes and demands?

Mr. PASTORE. The only answer I can give to the Senator from Ohio is that there is a comparable situation in my own State. At Quonset Point blue collar workers do janitorial work, carpentry work, and plumbing work as in the public buildings of Rhode Island. Under the blue collar law which now exists and has been on the statute books for years, those workers are paid according to the level of wages paid within that area. I realize that some wages in some parts of the country may be inflated. But it does not follow that if wages are inflated in private industry in California, inflated wages will result in the city of Cleveland in the State of Ohio. That is not the law.

Mr. LAUSCHE. It must inevitably follow that what has been done in California will move into Ohio.

Mr. PASTORE. I can not believe that.

Mr. LAUSCHE. Has the Senator considered the comparative wages paid in the States of Ohio, Nebraska, Wisconsin, Florida, Minnesota, Michigan, Montana, Oklahoma, and Hawaii?

Mr. PASTORE. That is being done every day in the week in relation to blue collar workers.

Mr. LAUSCHE. We shall have no trouble with blue collar workers.

Mr. PASTORE. Those are the plumbers and carpenters and the like to which the Senator has referred.

Mr. JOHNSTON. The report which the President sent to Congress, as regards the bill, outlines what is being paid civilians for certain kinds of work on comparable jobs covered by the bill. We tried to set salaries somewhat comparable to those figures. They were really under what the President outlined.

Mr. LAUSCHE. On page 4 of the report I see that the average national salary in private enterprise for work comparable to GS–7 is $6,648.

That is for national private enterprise. What is the average salary paid to State employees? In Ohio it is about $360. Federal employees are receiving $550 on the average.

Mr. JOHNSTON. An investigation in New York disclosed that the government of New York is paying much more than the Federal Government is paying.

Mr. PASTORE. That is correct.

Mr. JOHNSTON. In various places the pay is higher; in some it is lower. Each State must decide to what it desires to pay.

Mr. LAUSCHE. Is there anywhere in the testimony or in the report a statement of the average salaries paid in each of the 50 States? We are now dealing with governmental employees. In order to analyze the question correctly, we should have a comparison between what the State governments are paying and what the U.S. Government is paying. Is there anything in the record of testimony on that subject?

Mr. PASTORE. If we were to follow that reasoning, we would have to reduce the salary of every Senator, because I doubt very much that 50 percent of the Governors of States make as much money as we do, and they have as much responsibility as we do.

Mr. LAUSCHE. Neither can I follow the rule that my staff members—and I have some good ones—should reach a salary, let us say, of $18,500, when I know that every day people are knocking on my door for jobs of that type, and when I know that every week the State of Ohio is losing employees to the Federal Government. Now we would create a still greater gap in income between the employees of State governments and those of the Federal Government.

Mr. JOHNSTON. Madam President, there is a little gadget that is available. If the Senator does not want to pay the amount to his employees, he does not have to. He can pay any salary he wishes. He receives a lump sum, and then it is left up to him. If he wishes to cut someone's salary, he can do so. There will always be that right.

Mr. LAUSCHE. That is the fact. But let us not delude ourselves. I have lost employees to Representatives and to Senators because they paid more than I was willing to pay out of the money I had available.

Mr. McNAMARA. Madam President, will the Senator yield so that I may direct a question to him?

Mr. LAUSCHE. I yield.

Mr. McNAMARA. I should liketo ask the Senator from Ohio what authority he has for the statement that the hourly wage of plumbers and pipefitters in the area he mentioned is $7.57.

Mr. LAUSCHE. I have a letter from the Refrigeration & Air Conditioner Contractors Association. The statement is—

By July 1, 1965, the wages of plumbers and pipefitters will have been increased from $5.33 to $7.57 per hour in the city and county of San Francisco.

That is an increase of 42 percent over a 3-year period.

Mr. McNAMARA. Does the Senator know whether that includes so-called fringe benefits or not?

Mr. LAUSCHE. I do not.

Mr. McNAMARA. I do not think the Senator quoted a correct statement when he said that the wages of plumbers and steamfitters in the area to which he referred are $5.33 an hour now and that through collective bargaining they will reach the figure of $7.57 2 years hence. I do not believe that is a true statement.

Mr. LAUSCHE. It does seem pretty extravagant. But does the Senator from Michigan contend that perhaps the fringe benefits bring it up to $7.57?

Mr. McNAMARA. No. I just asked the Senator where he got the figure. I do not try to justify the figure. I do not think it makes sense the way the Senator has presented it.

Mr. LAUSCHE. I am quite astounded by what the Senator has said. If he thinks what I have said does not make sense, I say to him that I do not believe it makes any sense for us to adopt tariff laws and then to continue to push up prices everywhere. That is what we are doing.

We are financing housing. The more we finance housing, the more costs go up. I have no doubt that if the wage has not reached the amount I have stated, it will reach that amount. I think the evidence will show that I am talking commonsense on this subject. I think it will show that we are definitely pricing ourselves out of world markets. We are definitely making it impossible for the ordinary man to buy a house.

Mr. McNAMARA. Madam President, will the Senator yield further?

Mr. LAUSCHE. I resent the statement that I am not talking commonsense.

Mr. McNAMARA. I was referring to the statement which the Senator quoted, and not his own statement. I did not become personal, nor do I intend to do so.

Madam President, will the Senator from South Carolina yield further?

Mr. JOHNSTON. I yield.

Mr. McNAMARA. The question involved is whether the industry itself, through collective bargaining, is in a better position to judge those questions than are Senators. I submit that industry is in a much better position to take care of its business than we are.

Mr. LAUSCHE. My questions have been answered.

ADJUSTMENT OF ANNUITIES

Mr. JOHNSTON. Madam President, our committee has included in the bill adjustments in the annuities of those who are already retired.

Part III of the bill increases retirement benefits as follows:

First. A 5-percent increase, effective January 1, 1963, in all annuities which started on or before that date.

Second. Applies the increase on a graduated reduction basis to annuities starting after that date, in order to prevent discrimination against present employees who will retire in the near future.

Third. Provides that the proper proportion of any increase granted a retiree will accrue to his surviving spouse.

Fourth. Raises from $2,400 to $3,600 the portion of annuity to which the reduction of 2½ percent applies on election of survivorship benefits.

Fifth. Increases the ratio of survivorship benefits from 50 to 55 percent, in keeping with the change made last year under the Social Security Act.

Sixth. Revises present administrative procedure, by providing that in the future survivorship benefits will be automatic, unless an adverse election is made.

Mr. LAUSCHE. Madam President, will the Senator from South Carolina yield for a question?

Mr. JOHNSTON. I yield.

Mr. LAUSCHE. What will be the cost of this adjustment of the annuities?

Mr. JOHNSTON. As I recall, it will be approximately $49 million.

Mr. LAUSCHE. $49 million a year?

Mr. JOHNSTON. Yes.

Mr. LAUSCHE. I thank the Senator from South Carolina.

CONCLUSION

Mr. JOHNSTON. Madam President, the Congress finds itself in a rather unique position on this major bill.

Part I will increase postal revenues by over $600 million. Yet, those being called on to foot the bill—in the main—agree that it is a fair, reasonable, and needed bill, while at the same time the administration finds it acceptable and satisfactory.

Unity on such a measure is not often attained, and certainly is not easy to reach. Yet it has been accomplished in this instance.

Part II of the bill reforms the statutory salary systems of the Government in a manner acceptable to our large body of employees, and in almost complete accord with the recommendations submitted to Congress by the President. Here, again, we find ourselves in the happy situation of having resolved many problems in a manner satisfactory and acceptable to employer and employee, alike. That is almost unbelievable.

Mr. LAUSCHE. Madam President, will the Senator from South Carolina yield again to me?

Mr. JOHNSTON. I yield.

Mr. LAUSCHE. What will be the total cost in the fiscal year 1963 of the salary increases, as provided in the bill?

Mr. JOHNSTON. That information is shown at the bottom of page 11, where Senators will find set forth the amounts the administration bill would have provided, and also the amounts outlined by the pending bill. The information is given for each year. This provision will go into effect on January 1, 1963. In January 1964, the other increase will go into effect, and so on in 1965 and 1966.

Mr. LAUSCHE. Do I correctly understand that the cost of the administration bill in 1963 would have been $224 million, and that the committee bill will cost $504 million.

Mr. JOHNSTON. That is correct.

Mr. LAUSCHE. Then the disparity decreases; in the next year the administration bill would have cost $633 million, and the committee bill will cost $860 million?

Mr. JOHNSTON. That is correct.

Mr. LAUSCHE. I thank the Senator from South Carolina very much.

Mr. JOHNSTON. The administration bill is spread over 3 years; our bill is spread over 2 years. That is the reason for the difference.

Madam President, part III of the bill provides needed and overdue benefits of our former employees now on the retirement rolls; and I am glad to report that this portion of the bill is acceptable to both the administration and our retirees.

Madam President, I express the profound hope that the bill—which, as I have explained, is acceptable to all, is soundly conceived, and is carefully constructed—will be passed today by the Senate without mutilation.

Mr. LAUSCHE. Madam President, will the Senator yield for a question?

Mr. JOHNSTON. I yield.

Mr. LAUSCHE. What will be the cost of the 7-percent increase in the salaries of legislative employees? Has any calculation been made of it?

Mr. JOHNSTON. The 7 percent will have to be put into a lump sum, and it will have to be ascertained how much Senators took out and how much they did not use, and turned back into the fund each year. It would be almost impossible to make an estimate now, but I shall be glad to furnish an estimate.

Mr. LAUSCHE. We could estimate what the potential cost would be if each Senator granted a 7-percent increase to his employees.

Mr. JOHNSTON. Yes, and spent all of the money granted to him. Some Senators do not use all they are entitled to.

Mr. LAUSCHE. If possible, I wish the staff would provide those figures for the RECORD.

Mr. JOHNSTON. I shall be glad to provide that information for the RECORD.

Mr. RANDOLPH. Madam President, will the Senator yield?

Mr. JOHNSTON. I yield.

Mr. RANDOLPH. The Secretary of the Treasury has expressed to our Senate Post Office and Civil Service Committee an understandable concern about the intended scope of this measure, if it is enacted into law, with respect to the mail screening functions which will be imposed upon him.

As a member of the committee, I am familiar with the language of the bill and the explanation which is included in the committee report. It is my understanding that the committee has attempted to lay down guidelines which will assist the Secretary of the Treasury in discharging what I consider to be very burdensome responsibilities in the vital area of so-called Communist propaganda distribution within the United States.

It seems to me it would be helpful if there were spelled out at this point, early in the debate, what the committee intends the Secretary of the Treasury to

do with the responsibility which has been assigned to him.

So I address a question to the able chairman of the Senate Post Office and Civil Service Committee. It is this: Does our committee, after deliberation on this matter, expect the Secretary of the Treasury to screen all mail, except, of course, sealed letters originating in friendly countries, such as the United Kingdom, Canada, West Germany, France, and Japan?

I ask if that is the intent of the committee; and, if it is the intent of the committee, which I believe it is, will there be undue delay in the delivery of mail from countries which are friendly to the United States—our allies throughout the world?

I was a participant in the deliberations of our committee, and I think this is the intent of the action of the committee as embraced in the report: It is my thought that our committee desired the Secretary of the Treasury to concentrate the efforts of his very limited manpower—and I think it is unquestioned that there is a limitation of manpower to do the job—on mail coming directly from Communist countries.

I also felt that our committee desired to give to the Secretary of the Treasury power to examine mail from all countries, but that the committee also intended that he would examine mail from frinedly countries only—and I stress the word "only"—when the Secretary had reason to believe Communist propaganda was included in such mail.

I repeat, the committee has placed a very heavy burden on the Secretary of the Treasury. Now I ask the chairman of our committee, in another form, if my understanding of the intent of our committee is correct as I have indicated. And I hope he will provide for the record answers to the specific questions I asked.

Mr. JOHNSTON. The Senator from West Virginia was present at all the hearings on this particular amendment. He was also present in the committee in executive session at most of our meetings. As he will recall, we had hearings for several days on this particular amendment. Also, on several different days, and for several hours, we discussed this particular amendment in executive session.

In my opinion, the Senator from West Virginia has stated the committee intent properly and accurately. Our committee realizes it would be almost a physical impossibility for the Secretary of the Treasury to screen all mail originating in every nation of the world, and that was not our intent. Our intent was for the Secretary to devote the manpower and facilities at his disposal to mail coming from Communist countries, but to examine mail from friendly countries if he had reason to believe that Communist propaganda was coming from those countries.

I think the committee tried to draw this amendment so it would cover that activity, and only that.

I realize, too, and I know the Senator from West Virginia does, that the number of personnel employed at the present time is not sufficient even to watch dope, and material of that kind, now coming into our Nation.

Mr. RANDOLPH. And improper literature.

Mr. JOHNSTON. And improper literature that is coming into our country.

Mr. RANDOLPH. Not merely Communist material, but other types.

Mr. JOHNSTON. Yes.

Mr. RANDOLPH. Will my colleague indulge me for a brief observation?

Mr. JOHNSTON. I yield.

Mr. RANDOLPH. I wish to say, in the presence of my colleague, the Senator from Pennsylvania [Mr. CLARK], that I think the Committee on Post Office and Civil Service approached this considerable task with a minimum of disagreement on basic, fundamental problems; but in the area of the so-called Cunningham amendment, which was modified by the Senate committee's recommended amendment, it is my feeling that our committee erred.

I make it very clear, however, that what the Senate Committee on Post Office and Civil Service has done is, in my judgment, an improvement on the so-called Cunningham amendment as contained in the House-passed bill. But even though there are exceptions which make our committee's recommendations more reasonable, at a later period in the debate I anticipate I will find it appropriate to join with the Senator from Pennsylvania, and I trust and hope we may be joined by other Senators, because I feel that even the modified version of the provisions placed in the bill, and based on the action in the House with the passage of the Cunningham amendment, would do violence to the fundamental traditions of this Republic and to the cause of freedom and justice. A Federal censorship imposed under any guise in time of peace is repulsive to me.

The system under which our country was founded and has prospered is able to meet any threat from any other system of government in the world. I shall speak later on that particular point.

Mr. HRUSKA. Madam President, will the Senator yield?

Mr. RANDOLPH. The senior Senator from South Carolina has yielded to me and I shall conclude with a brief comment. Before I conclude, I wish to have reflected at the close of my chairman's speech of explanation of the provisions of the so-called double-approach bill the fact that what has been said by the Senator from Kansas [Mr. CARLSON] and other Senators is eminently correct. There was no partisanship in the committee. There was no majority or minority as we understand those terms. There were differences of opinion, of course. We were able to adjust our thinking in practically all instances.

It is not easy for me now, on the Senate floor, to indicate that in respect to this one provision I must oppose the position taken by the majority within the committee, but I shall do it in the discharge of what I believe to be my responsibility and because of my conviction in this regard.

I trust that the postal rate increases and the pay raises can become law within a few days.

I say to my chairman once again that I could never work with a man more understanding of the position I now take or who would be more cooperative with me than the chairman has been as we have labored over this problem. I know the Senator will understand the statement which I have made. I commend him for the manner in which he conducted the hearings, which lasted for weeks, and the patience with which he has worked in and presided over the committee executive sessions.

Mr. CLARK. Madam President——

The PRESIDING OFFICER. The Senator from South Carolina has the floor.

Mr. JOHNSTON. I thank the Senator from West Virginia for the remarks about the work of the committee and also about me personally.

Several Senators addressed the Chair.

Mr. JOHNSTON. I yield first to the Senator from Nebraska.

Mr. HRUSKA. If the Senator will yield briefly with reference to the so-called Cunningham amendment, I wish to say that I know the amendment has been misconstrued often, and has been misunderstood both as to the fashion in which it would be administered and as to its objectives.

As has been stated by other Senators, I expect to address myself to that question at greater length tomorrow, or some later time.

The objective of the amendment is not to bar the mail, but simply to put it in the fourth class and then to deliver it, thereby having a true reciprocity with the Soviet bloc countries, who are not delivering similar mail which comes from this country and is to be delivered in those countries.

The effect of the amendment would be that when the mail came to this country, under proper classification, it would be put in the fourth-class mail, and a charge would be made equal to the charge for that class of mail. Then we would not be compelled to go home to the people in our respective States and districts and say, "We increased the postal rates for everybody in this country, but did not increase them for the Communists on their mailings."

I think that is sound. I think it is good.

In due time, with due deference to those who differ with that point of view, I shall speak on the subject. Inasmuch as the Senator from West Virginia addressed himself to that question at least preliminarily, I wished to make that statement at this time.

Mr. JOHNSTON. I suggest that the Senator look into the matter before he approaches it from that angle. We have certain international agreements concerning the delivery of mail, and we may face a problem in that regard.

Mr. HRUSKA. I appreciate that. I also know that international agreements are being violated in a wholesale manner and also indiscriminately by the Soviet bloc countries. If they do that,

I think we ought to extend to them complete reciprocity.

From that standpoint I approach the situation. I recall well the speech made on the floor of the Senate by the senior Senator from Minnesota, when he returned from his 8-hour visit with Khrushchev and his many weeks in Russia, when he reported that he did not see any of our American material on the newsstands of Russia, and that none of it was being delivered. He felt that the situation required correction.

This is one way to correct the situation. The other way, which is proposed by other Members of this body, in my opinion would not touch the core of the problem.

I am aware of the existence of certain international postal conventions, but they are being breached by those on the other side, and I know of no reason why, in the cold war in which we are engaged, we should meekly and docilely turn the other cheek to the Communists and have them slap it again by forcing us, under our sense of honor, to deliver their mail when they are not delivering ours.

Mr. LAUSCHE. Madam President, will the Senator yield for a question?

Mr. JOHNSTON. I yield for a question.

Mr. LAUSCHE. I should like to ask the Senator whether the language in section 4008, dealing with "Communist political propaganda," substantially would reintroduce and make effective the program which was followed prior to the change which took place about a year and a half ago.

Mr. JOHNSTON. I believe it was the understanding of the committee that the language would put back into effect the manner of handling the mail as it was handled during the Truman administration and during the Eisenhower administration. Does that answer the Senator's question?

Mr. LAUSCHE. When the Secretary of the Treasury determines that mail carries Communist political propaganda, he shall detain that mail, notify the addressee that he has it, and, if the addressee desires to have it, deliver it to the addressee.

Mr. JOHNSTON. That is correct.

Mr. LAUSCHE. If the addressee did not wish to have it, the Secretary would discontinue forcing upon the addressee the Communist literature addressed to him by Communist countries.

Mr. JOHNSTON. The Senator will notice there are certain exclusions, such as libraries and colleges.

Mr. LAUSCHE. Those are in the exceptions. Subparagraph (c) provides:

> The provisions of this section shall not be applicable with respect to (1) matter addressed to any United States Government agency, or any library, or to any college, university, graduate school, or scientific or professional institution for advanced studies, or any individual connected therewith, or (2) material whether or not "Communist political propaganda" addressed for delivery in the United States pursuant to a reciprocal international agreement.

Those are the two exceptions.

In substance, the program which was in effect under the Truman administration and the Eisenhower administration would be reintroduced, and we would no longer force upon our citizens Communist propaganda material sent to them by foreign Communist countries.

Mr. JOHNSTON. That is true. We would put into effect the same screening process which was in effect at that time.

Mr. CLARK. Madam President, will the Senator yield? If I may, I should like to have the attention of the Senator from Ohio.

Mr. JOHNSTON. I yield.

Mr. CLARK. The Senator has read, with great emphasis, the exceptions in the iniquitous amendment with relation to colleges and libraries, but I note there is no exception provided for radio broadcasters, television news analysts, newspaper reporters, or anyone whose job it is to tell the American people exactly what propaganda is.

To my way of thinking, excluding those who are supposed to disseminate the news is one of the many weaknesses of the amendment.

Mr. LAUSCHE. From my standpoint, I shall fight to the limit to stop our Government from forcing upon American citizens mail, periodicals, or newspapers which they never ordered, and which were sent to them by the Communist government in Moscow. Citizens are compelled to accept the material when they do not want it.

Mr. CLARK. There are other ways of achieving the exemplary and fine objective stated by the Senator from Ohio without violating the Constitution of the United States.

Mr. LAUSCHE. No such way has been revealed in the last 2 years. I have a great deal of mail in the drawer of my desk on that subject.

The PRESIDING OFFICER. The Chair rules that the Senator from South Carolina has yielded the floor.

During the delivery of Mr. JOHNSTON's speech,

Mr. MORSE. Mr. President, I shall offer certain amendments to the bill. I wonder if the Senator from South Carolina would permit me to submit the amendments and send them to the desk so that they can be printed, and to make a very brief statement in connection with the amendments, because I have to attend a hearing of the Committee on the Judiciary, and should like to briefly explain my amendments. The explanation will be in the RECORD for later consideration.

Mr. JOHNSTON. Mr. President, I yield for that purpose.

The PRESIDING OFFICER. The amendments will be stated for the information of the Senate.

Mr. MORSE. Mr. President, I believe I have the floor in my own right, but I was simply explaining my intention. If the Senator from South Carolina did not wish to have me do that, I would yield the floor.

The PRESIDING OFFICER. Does the Senator wish to have the amendments stated?

Mr. MORSE. Mr. President, I should like to have the amendments printed, rather than stated. There will be plenty of time to have them printed. I ask that the amendments be printed, so that they may be on the desks of Senators tomorrow.

The PRESIDING OFFICER. The amendments will be received and printed, and will lie on the table.

Mr. MORSE. Mr. President, I wish to make a brief statement about the amendments now, so that it will be in the RECORD for consideration by all Senators.

One amendment I am offering would strike out the provisions of the committee bill which increases rates for first-class letters and cards and for airmail letters and cards.

First, I know how long and arduously the Senate Committee on Post Office and Civil Service has labored with this measure.

I know the dedication of service of the Senator from South Carolina to the public weal during his many years in the Senate, and particularly in connection with his work as chairman of the Senate Committee on Post Office and Civil Service.

The Senator from South Carolina and the Senator from Oregon usually have found themselves, heretofore, in agreement on all the proposed legislation coming from the committee in respect to Post Office matters. We do not find ourselves in agreement today, in a few respects. I am hopeful that by the end of the debate there can be an accommodation, so that the bill will be in a form which will permit us to stand shoulder to shoulder again.

Mr. President, the measure which has been brought to the Senate with such improved provisions for pay raises for postal and classified employees of the Federal Government is a tribute to the committee chairman, the senior Senator from South Carolina.

The senior Senator from Oregon believes that those pay increases are long overdue. He thinks they ought to be passed.

The senior Senator from Oregon is greatly concerned about the form of the legislative instrument in which we are being asked to do justice to the postal employees and to the other Government employees for whom deserved pay increases are to be provided in the bill.

I am sure the Senator from South Carolina and other Senators know of my longstanding objection to the practice of placing the burden of the cost of the postal service on the users of first-class mail. We hear so often that the Post Office deficit must be wiped out with increases in rates. That premise is highly questionable in itself, because the postal service is and always was intended to be a service and not a profitable operation.

As I have said before, without going into the detail in which I presented it to the Senate in years past in my speeches which have analyzed the origin and the history of the postal service, that service was never intended to pay its own way. To the contrary, it was set up as a service to the American people, to make sure that there would be an accommodation in the dissemination

of knowledge to the people of this Republic.

As I have said before—but the great principle of Jefferson cannot be repeated too often, for we need to have our attention called to it frequently—Jefferson said that a democracy can be no stronger than the enlightenment of its people.

Our constitutional fathers who established the postal service did not do so to make a profit. They did not set up the service to pay its way. They set up a public service which would encourage communication and disseminate knowledge and information in this country in order to keep a free people enlightened. Yet in recent years there has been a drive by false economizers, who say that we must have a postal service which pays its way. Mr. President, I deny that major premise.

I also strongly object to the way in which rates are to be raised, because they are not to be raised on the users of the postal service who are responsible for the deficit. Instead, the administrations of both parties, and too often the Congress, have taken the easy way out by yielding to the organized users of second- and third-class mail, and slapping the increase on first-class mail.

I will tell Senators where the postal deficit is caused. It is caused by the highly preferential treatment for advertising matter in magazines, and for the magazines themselves. Yet even the committee amendment would bring second-class mail up only to 35 percent of its cost. It is not my position that magazines should be charged for their full cost because I do not think that is the basis of the postal service, as I have already stated.

But I do strongly oppose transferring their subsidy to the users of first-class mail, and that is what the bill would do. The bill would not reduce the disparity between these two classes; it would increase it.

I ask unanimous consent that the comparison of estimate cost coverage, which appears on page 2 of the committee report, be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

B. Comparison of estimated cost coverage

[1963 volume basis]

Mail class	Without public service			With public service		
	Current rates	H.R. 7927	Senate amendment	Current rates [1]	H.R. 7927	Senate amendment [2]
1st class	100.4	125.1	125.2	100.4	125.1	127.4
Airmail	112.8	122.5	124.7	112.8	122.5	127.0
2d class	21.3	32.3	26.8	23.0	42.3	35.1
Controlled circulation	63.9	71.9	70.0	63.9	71.9	71.3
3d class	63.1	83.2	75.1	65.6	89.7	82.1
Educational material	52.0	52.0	53.7	100.0	100.0	100.0

[1] Public services on a revenue forgone basis.
[2] Includes "total loss" public service plus $81,400,000 of public service to reflect a portion of the cost of small post offices and rural routes, as proposed in the Senate amendment. The $81,400,000 spread to all mails and services in direct proportion to their estimated fully allocated costs for fiscal 1963.

Mr. MORSE. Mr. President, I discussed this table with the distinguished chairman of the committee, the able Senator from South Carolina [Mr. JOHNSTON]. I have talked with him about that very telling column in the chart. The first column is entitled "Current Rates." Let us take a look at it, because in my judgment it goes to the very heart of the controversy that is developing over the bill. The column to which I refer shows that today first-class mail on the basis of the 4-cent postage stamp is paying slightly over 100 percent of the cost of carrying a first-class letter through the mail. If Senators will take a look at the Senate amendment that we are being asked to adopt, they will see that what is being proposed in the bill is an increase in the rate that will be over 127 percent of the cost of carrying a first-class letter through the mail.

What is just or right about that? Why should any American citizen who writes a first-class letter be required to put a 5-cent stamp on it in order to subsidize magazines and newspapers in this country? If it is a subsidy that we want, then let all the taxpayers do the subsidizing for, in my judgment, that is the responsibility of public service that ought to be paid for by all the taxpayers of this country and not by those who write first-class letters.

I ask Senators to take a look at the second item in the column, which concerns airmail. I have discussed the subject with the chairman of the committee. He says this is what it means. According to that column, airmail postage is now paying 112.8 percent of the cost of carrying an airmail letter through the mail.

I ask why in the world should one writing an airmail letter be required to pay a subsidy to help carry through the mail for less-than-cost magazines, newspapers, and other second- and third-class mail items? Is it fair to take the position in the Senate that in order to get a deserved pay increase for the postal employees and civil service employees in the Government that we must buckle down and vote for a bill that would have the effect of asking writers of first-class mail to pay the kind of subsidy that the chart of the committee itself shows is the case?

Mr. President, I ask Senators to take a look at the next item, which is controlled circulation. At the present time that service pays 63.9 percent of its cost of carriage.

Third-class mail pays 63.1 percent. So-called educational material pays 52 percent. Therefore my amendment would leave first-class and airmail rates at the present level and would retain the other increases as contained in the bill.

At the opening of the debate my plea is for the Senate to try to arrive at an accommodation so that we can see to it that postal employees and civil service employees receive the pay increases to which they are entitled. I shall do what I can to seek to pass the amendments which I have sent to the desk in due course of time.

Mr. President, I send another amendment to the desk and ask to have it printed and lie on the table for future reference.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. MORSE. That amendment would eliminate all of part 1 of the bill, which deals with changes in postal rates and other matters, including the Communist propaganda provision relating to postal service. It would leave part 2, relating to salary increases and part 3, relating to annuity increases.

I have not changed my view that we cannot justify linking postal pay with postal rates. It is not in the service of the postal employees, may I say to the legislative representatives of the postal employees who are sitting in the gallery at the present moment. I wish to say to those legislative representatives of the postal employees that the bill is not a service to the longtime best interests of the postal employees of our country, because a precedent will be established here today, tomorrow, the next day, or whenever the Senate votes on the bill, that will rise to plague postal employees, in my judgment. I say to the legislative representatives: You are not going to have postal pay increases in the future with this precedent unless you link those postal pay increases to future increases in postal rates.

I do not believe such procedure is sound. I do not think it is fair to the men and women in the Senate who have a record of fighting for the economic interests of Government employees, including postal employees. We should not be put in the position in which we find ourselves with respect to the bill. We must weigh the interests of Government employees to a deserved wage increase against what we consider to be an injustice that would be done the population of America as a whole in regard to postal rates by passing a postal bill here which would increase the rates on airmail and first-class mail far in excess of what is necessary to pay the costs of sendin gthat mail through the mail.

Some way, somehow, we should arrive at an accommodation so that all of us who have stood together in the past in regard to fighting for the deserved rights and benefits of the postal employees and

the civil service employees can go along. I submit my second amendment; and it would be less than honest not to say that I am fully aware that all the odds are against me in regard to that amendment. But the historic record must be made on this subject if for no other purpose than that in the years to come, at lease the record will be there for people to read, showing that the issue was raised during the debate.

I ask Senators, "If you are going to start to do this in regard to the postal service, are you ready to do it in regard to every other Government service that we offer the taxpayers of the country? Are you ready to do it in regard to the Forest Service? Are you ready to do it in regard to all the proprietary interests of the Federal Government? Are you willing to do it in regard to those necessary services that we render by way of police, fire and other protection to the American taxpayer? Where would we stop? What is there about the postal service that justifies the establishment of the proposed precedent whereby postal rates would be linked to postal pay?"

In my judgment, such action is not good legislative policy. It is not good Government policy. It is shortsighted. In my judgment, the proposed action represents passing proposed legislation under great political pressure. I do not believe that we usually get good legislation when we pass it under the kind of time pressure that is being exerted on the Senate these days, as Senators do everything they can, almost in panic, to bring about an adjournment.

During the delivery of Mr. JOHNSTON'S speech,

Mr. JOHNSTON. Madam President, I understand that the Senator from Kansas [Mr. CARLSON] must leave by 4 o'clock. That being so, he wishes to make a statement now. I ask unanimous consent that his statement appear in the RECORD immediately following my remarks. I shall finish my address after he completes his remarks, if there is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CARLSON. I appreciate very much the courtesy of the distinguished chairman of the committee. Unfortunately, it is necessary for me to leave at 4 o'clock to catch a plane. I regret this situation, because this is one bill on which I have worked particularly hard, and I would like very much to be present throughout the debate and to finish with it today or tomorrow.

Madam President, the bill pending before the Senate has probably received more thorough consideration than any other bill which the Committee on Post Office and Civil Service has reported to the Senate. It deals with three phases, as has been mentioned by our chairman, namely, rates, pay, and retirement benefits.

We gave thorough consideration to every one of those phases, and unanimously reported the bill to the Senate for consideration.

I express my appreciation to the distinguished chairman of the committee for the time and effort and patience he has expended in connection with the proposed legislation. I wish also to concur in the statement he made regarding the many who have assisted us—representatives of Government, industry, labor, and others—in working upon the proposed legislation.

I wish particularly to commend the staff members. It would have been impossible to bring the bill to the Senate had it not been for the dedicated service of our staff, both majority and minority. I wish to pay special tribute to Don Kerlin. If there is anyone who is familiar with this subject, who has lived with it and knows every phase of it, it is Don Kerlin. I do not believe we could have brought this bill to the floor of the Senate, without his valued assistance. He knows every phase of the bill.

As has been mentioned, several amendments will be offered to the bill. I believe that every Member of the Senate might well have some objection to certain parts of the bill. I, too, could find some objection. However, in reaching agreement on the bill we tried to reach an acceptable compromise. There are several phases of the bill that I could easily oppose. However, it is the best bill on which we could reach agreement.

I should like to sound a warning. I hope no amendments to the bill will be approved. If some should be approved, passage of the bill would be endangered. I would not like to see that situation come about.

It is easy to be in favor of increasing one rate and lowering another, but when we begin to deal with postal rates, we must realize that they are all woven together in a chain of rates which are essential and which have been thoroughly studied by the committee. I therefore sincerely hope that the Senate will not adopt amendments, and that we can go to conference with the House and arrive at a bill which will give increased rates, increased pay and benefits to our Federal retirees.

The Senate Post Office and Civil Service Committee has reported a postage rate bill which, in my judgment, is a vast improvement over the rate bill which came to the Senate from the House of Representatives. The new 5-cent rate on letter mail should make a sizable dent in the annual Post Office deficits which have been growing at an alarming rate. At the same time, the rates proposed by the committee on second and third class should produce substantial revenue increases without placing undue financial burdens upon business concerns which use these classes of mail.

However, I feel obliged to sound this note of warning to my Senate colleagues. The postage rate bill drafted by our committee is a compromise which will suffice for the present, but it will not solve and does not attempt to solve a serious problem which is just around the corner and which may bring on the gravest crisis in the history of the American postal system. The problem is ours and not that of the mail users.

The inexorable fact is that the Post Office Department will be drowned in a flood of mail over the next few years which it is not equipped to handle, unless its lagging modernization program is speeded up to meet the challenge. The experts of the Post Office Department estimate an increase of about 3 billion pieces for the current fiscal year; by the year 1970, the experts project that total mail volume will be about 90 billion pieces as contrasted to the present aggregate of 70 billion.

In testifying before the Senate Post Office and Civil Service Committee this past spring, Postmaster General Day said this:

> If postal technology were to remain largely unchanged, and if our postal cost experience were to continue, our budget requirements for 1980 would reach an appalling level.

Madam President, the crisis will be on us long before 1980. Based on the predicted 30 percent in volume over the next 8 years, the annual Post Office budget will go up, and up, and up, until it gets lost in the wild blue yonder. And if the Government continues the policy it has followed since 1950 of meeting these ever-rising costs by steadily hiking postal rates, then the traditional mailing patterns of the American people are in for some profound changes.

Already the law of diminishing returns has set in for fourth-class mail because of constantly rising rates. If postal tariffs continue to spiral, the time is not too far off when the great bulk of second- and third-class mail users will be compelled to seek other forms of communication to reach their subscribers. In the same way the sending of first-class letters may evolve from a commonplace into a luxury. All these dire predictions are forecast in the Postmaster General's statement that mail costs may reach appalling levels. I differ with Mr. Day only in my belief that the crisis will come much sooner than he anticipates unless corrective measures are taken without delay.

The main job of the Government is to get the Nation's postal system back into the mainstream of American life, to make sure that the ever-growing volume of communication by mail is handled with the same technological proficiency which has made American industry and American agriculture the most productive in the world. It hardly takes an expert to point out that an organization which relies mainly on hand labor, just as it did 50 years ago, is poorly equipped to handle an avalanche of 90 billion pieces of mail.

The Post Office Department has made some advances toward modernization over the past decade; it has adopted assembly line techniques in a number of large city post offices and introduced a number of labor-saving machines which have made serious inroads into excessive overhead costs. But because the pace of modernization has been too slow, and the attach on the manpower problem too timid, the results have been exceedingly meager in relation to the overall picture. As a matter of fact, the pace of modernization even today is so

slow that the projected increases in the use of machinery will not take care of the expected increase in mail volume—let alone contribute to an across-the-board increase in postal efficiency.

There is no technological reason why a major part of the work of the Post Office Department cannot be transformed from a manual operation to a machine operation, thus assuring the widespread application of modern efficiency to the largest operation carried on by the Federal Government outside of the military. The machines for doing the job are in existence, and they are doing the job well at the present time both here and abroad. In the relatively few large cities where the post office operations have been modernized, the results have been especially gratifying. But the establishment of a few pilot projects or the modernization of individual post offices, one by one, will not get the job done. A frontal attack on the whole problem is urgently needed if the postal service is not to bog down in a mass of inefficiency.

This is why the committee unanimously adopted a statement in the report dealing with this need.

It is my hope that every Senator will take the time to read this statement in the report, which appears at page 2.

There was considerable discussion in the committee concerning section 12, otherwise known as the Cunningham amendment. Under that section as it passed the House, Communist political propaganda was mailable, but at fourth-class rates. This is because H.R. 7927 does not set fourth-class rates and because the Cunningham amendment itself contains language stating that no postal rate in H.R. 7927 shall be available for the distribution by mail of matter determined by the Attorney General to be Communist political propaganda.

The committee studied this provision and reviewed the program in effect in this country for the last 10 years. Under Presidents Truman and Eisenhower, the Customs Bureau would screen mail defined as political propaganda under the Foreign Agent's Registration Act, determine whether or not it was Communist, would then send a letter to the addressee, and the addressee would say whether or not he wanted it; 90 percent of the time the material was unwanted and was thereafter destroyed. Congressman CUNNINGHAM in testifying before our committee stated that termination of the Executive order under which the Communist political propaganda was detained, meant that 9 or 10 times as much material was being distributed now than prior to termination of the order because the volume had continued but now all of it was being delivered, whereas 90 percent of it used to be destroyed.

Since most of this material is in the second and third classes of the mail which show a loss, the original Cunningham proviso shifted Communist political propaganda to fourth class, which under the law must break even or show a profit. The Senate version takes a different tack: We have reinstituted the Truman-Eisenhower program which had the effect of keeping 90 percent of the material out of mail, thus removing the burden of its loss from the taxpayers. We are using the definition of political propaganda set forth in the Foreign Agent's Registration Act to determine what political propaganda is, just as was done in the Truman-Eisenhower program. What is or is not a Communist country is set forth in the Foreign Assistance Act and the Tariff Acts. Since the Customs Bureau administered the old program, we have designated the Secretary of the Treasury as the officer, who, under rules and regulations to be promulgated by him, shall make the determination now.

No American magazines or newspapers except the New York Worker are available on Russian or Iron Curtain country news stands. Under the terms of the Universal Postal Union, Russia and its satellites are required to deliver American material. If they did, then the exchange would be fair, but the trouble is that they are not freely delivering our material. Since the United States does not get the full benefit of Iron Curtain delivery of its material, it means that our taxpayers are charged for delivering Communist political propaganda, but our material in turn is denied free access to Communist mailing systems. It follows, therefore, that since reciprocity is lacking we are presently delivering their material free because we receive no remuneration from them in the form of their reciprocal delivery of our material.

The Senate committee has added some very important exceptions to the Truman-Eisenhower program. Section 305 (c) appearing on page 31 of the bill states as follows:

> The provisions of this section shall not be applicable with respect to (1) matter addressed to any United States Government agency, or any library, or to any college, university, graduate school, or scientific or professional institution for advanced studies, or any individual connected therewith, or (2) material whether or not "communist political propaganda" addressed for delivery in the United States pursuant to a reciprocal international agreement under which the United States Government mails an equal amount of material for delivery in any country described in subsection (b).

We have excepted material addressed to colleges, universities, and libraries in response to the asserted need for political propaganda for analysis by scholars. I have some doubts about the word "library" and feel that the word "public" should be inserted before it so that any home bookshelf with a few books on it is not construed as a library. Moreover, I am somewhat concerned about the use of the words "or any individual connected therewith" which appear on page 31 at line 20 of the bill. Does this mean that nonacademic personnel would be entitled to receive this material without requesting it? I think we will have gone far in providing that these institutions shall be excepted from the provisions of the act but I do not think we should go so far as to make the legislation a sieve. I will offer an amendment strengthening the proviso in these two regards."

In my judgment, the second exception, appearing on page 31, may perform a service of tremendous value in forcing a free flow of information on both sides of the Iron Curtain. The import of that section is that if we have a reciprocal international cultural agreement under which the U.S. Government mails an equal amount of material for delivery in any Communist controlled country, we will agree to carry that country's material in the United States.

Now the committee did not mean, and we want the legislative history to be clear on this, that the Universal Postal Union itself should be considered as such an instrument. We mean the kind of cultural agreement under which we deliver 50,000 copies of the magazine America to Russia each month and Russia delivers 50,000 copies of the magazine U.S.S.R. to this country. Certainly we would all like to see this kind of an arrangement expanded. We are certainly not afraid of what Iron Curtain countries will send to us: We want to encourage the dissemination of our material behind the Iron Curtain. So we have now written into the U.S. law our desire to exchange material with these countries. What we are saying to Russia, Poland, Czechoslovakia—to all the satellite countries—is "if you want to negotiate an international cultural exchange agreement with us under which by special international agreement we can put 10,000, 50,000, or 1 million pieces of American informational material into your mailing system, we will let you put an equal quantity into ours."

So that we can be crystal clear, this language does not mean that the Universal Postal Union will be metered so that we can see how many pieces of Russian mail come here and we can see how many of ours go to Russia. It should only apply when there is an official cultural agreement, negotiated at the bargaining table, providing for equal quantities to go on both sides of the Iron Curtain. Certainly this proviso will put our negotiators in a position of tremendous strength. We have taken the initiative in the fight for men's minds: Provided Iron Curtain mailing systems are open to us we are saying that ours are open to Iron Curtain countries. Why should the American taxpayer be asked to do anything more?

I believe that the Department of State and the U.S. Information Agency should welcome this exception. As we all know, the Russians probably spend more money jamming the Voice of America than we spend broadcasting to Russia. Subsection 2 of section (c) may one day be used as part of an international information exchange agreement to stop this jamming of the Voice of America, and to provide that U.S. material may freely flow in Russia.

It is my hope that the Senate will overwhelmingly endorse the principle expressed in the Senate version of section 12.

The committee has not only throughly studied the situation but has also included an amendment which I believe will be helpful. I hope there will be no other amendments to the bill,

so that we may go to conference with the House and obtain for the postal and classified employes and the retired workers the benefit of the proposed legislation.

Again I pay my compliments and respects to the distinguished chairman of the committee.

Mr. JOHNSTON. Madam President, I have never worked with anyone who worked more faithfully and harder than did the Senator from Kansas on this bill. I received perfect cooperation from him; and when I say "him," I include all the minority members of the committee. The minority and the majority members worked together during the entire consideration of the bill. Actually, there were no "majority" or "minority" members of the committee during the consideration of the bill. I commend every member of the committee for his faithful service, and in particular I commend the distinguished Senator from Kansas [Mr. CARLSON].

Mr. SPARKMAN. Madam President, will the Senator from South Carolina yield?

Mr. JOHNSTON. I yield.

Mr. SPARKMAN. First, I wish to express a word of appreciation to the chairman and the other members of the Committee on Post Office and Civil Service. Theirs has been an important task, a huge undertaking. The committee has performed its work well in reporting to the Senate the bill which is now under consideration.

One matter in particular concerns me, and I wish to check with the chairman to see if my understanding is correct.

The annuities of retired persons are covered rather generally, but I find no reference to annuities for persons who were retired under the Foreign Service Retirement and Disability Fund. I believe I know what the answer is, but I wish to be certain.

Mr. JOHNSTON. The retirement fund for the Foreign Service is handled by the Committee on Foreign Relations.

Mr. SPARKMAN. That is, the Foreign Service retirement fund.

Mr. JOHNSTON. The Committee on Post Office and Civil Service handles the pay for members of the Foreign Service, but not the retirement fund for the Foreign Service.

Mr. SPARKMAN. That comes under a separate act.

Mr. JOHNSTON. There are several separate retirement systems in the Government. For example, there is a separate retirement fund for Federal judges. The Foreign Service has a separate retirement fund. That being so, the Committee on Post Office and Civil Service has no jurisdiction over them, and those persons are not provided for in the bill now under consideration.

Mr. SPARKMAN. The Committee on Post Office and Civil Service does not have jurisdiction over those funds.

Mr. JOHNSTON. That is correct.

Mr. SPARKMAN. I knew that retirement matters relating to the Foreign Service were ordinarily handled by the Committee on Foreign Relations. Actually, I have two bills relating to this very subject pending before that committee now, on which the committee has held partial hearings. However, I wished to make certain that the omission of those persons from this bill was not an oversight and that they had not been omitted if they properly belonged within the jurisdiction of the Committee on Post Office and Civil Service.

Mr. JOHNSTON. I appreciate the Senator's asking that question. I am sorry that we could not have included those persons in the bill, but they do not come within our jurisdiction.

Mr. SPARKMAN. Madam President, will the Senator from South Carolina yield to me, without losing his right to the floor, so that I may speak with respect to one particular item in the bill?

Mr. JOHNSTON. I yield for that purpose.

Mr. President, I ask unanimous consent that the remarks of the Senator from Alabama may follow my speech.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Madam President, befor the Senator from Alabama proceeds with his remarks, will he yield to me with respect to the question he just asked about retirement?

Mr. SPARKMAN. I yield.

Mr. CLARK. I was chairman of the subcommittee which handed the retirement section which is now under consideration. What the Senator from South Carolina said is, of course, completely true. But I ask: How foolish can we get to have Foreign Service pay handled by the Committee on Post Office and Civil Service, and Foreign Service retirement pay handled by the Committee on Foreign Relations? This is one reason why I hoped the Senator from South Carolina and the Senator from Alabama would join in cosponsoring my resolution—I understand why they will not—to have a commission appointed to consider the rules, customs, procedures, and manners of the Senate, of which this is, perhaps, one of the silliest examples.

Mr. SPARKMAN. The Senator from Pennsylvania is extremely diligent, and is sometimes quite optimistic. Nevertheless, I appreciate his remarks with respect to retirement funds. Perhaps the funds should be consolidated. I think that is probably a question to be determined by the Bureau of the Budget.

But as I understand the situation as it exists today, the funds are not consolidated, and the Foreign Service retirement fund is one of the separate annuity funds.

Mr. CLARK. Madam President, will the Senator from Alabama further yield?

Mr. SPARKMAN. I yield.

Mr. CLARK. I hope—although I suspect the Senator from South Carolina will not agree with me—that upon a consolidation, the question of Foreign Service pay would be handled by the Committee on Foreign Relations. I am sure our dedicated Foreign Service employees wolud receive far better pay, increases in salaries, and representation and house allowances, to which they are by law entitled, if those matters were divorced from the average salaries of CAF–8, 10, and so forth.

MAKING OF AGRICULTURAL PUBLICATIONS

Mr. SPARKMAN. Madam President, because I come from a part of the country where farming is a major occupation, I am especially grateful that the Senate Post Office and Civil Service Committee has rescued the agricultural publications of this country from a major financial crisis. The farm publications can probably live with the moderate increases on second- and third-class mail reported by the committee, whereas the exorbitant rates proposed in the House bill would have given them a blow from which they might never recover.

The cost squeeze nagging the farm publications is real and not something dreamed up by the publishers to help them avoid paying bigger postal bills. Let us examine the basic figures. Over the past 15-year period, publication costs have increased 89 percent for farm journals. During the past few years, the volume of advertising available for this type of publication has drastically declined. There is the further factor that, for most publications, subscription rates have been raised so many times that the saturation point has been reached. Caught in this price-cost squeeze, the future looks none too promising for the farm journals, even if postal rates are stabilized for the next decade or so.

I believe it was established that the increased rate on second-class mail proposed in the House postage bill would have brought in an additional $53 million in annual revenue to the Federal Government. I think that every reasonable person who has read the testimony before the Committee on Post Office and Civil Service, will agree that this would have been the most expensive money Uncle Sam ever collected. The House rates would have delivered a major blow to the free press of the country and spelled financial ruin for literally hundreds of publications. This certainly is not desirable.

In these brief remarks, it is my purpose to review the vitally essential role which the farm journals play in the agricultural life of the country and to explain why any injury to these publications would be a serious blow to the national welfare.

A good way to begin is to explain that the purpose of the farm paper is not to entertain the farmer after a wearying day in the fields. It has a loftier purpose. The farm paper is the textbook of the American farmer and has been for decades. It was from this type of publication that the planters and growers of America first learned about the new machinery that would revolutionize agriculture, and about the new chemicals, seeds and fertilizers that would make American agriculture the most productive in world history. This story has been told time and time again, but its significance is so great that it deserves retelling once again.

In America, agriculture now employs only about 10 percent of the labor force; in Russia, agriculture employs nearly 50 percent. Because American agriculture

has been so productive, our graneries and warehouses are filled to overflowing; in Russia, there are still acute food shortages, the cost of meat is out of sight, and Soviet industry is actually short of manpower because so many workers are employed on the farms.

The conclusion is obvious that the productive capacity of American agriculture has given the United States and the other free nations a major weapon in the cold war against communism. Also, our ability to produce food in great abundance at economical prices is due to the way in which the American farmers welcomed and adopted the principles of modern scientific farming. Do the farm papers deserve credit for helping to bring about this desired result?

The record shows beyond a shadow of a doubt that the farm magazines played a leading role in the modernization of agriculture.

In recent years, several of the Nation's leading agricultural colleges, including Cornell, Purdue, Wisconsin, and Illinois, have made extensive surveys to find out the main sources of information on which farmers relied to get up-to-date information about new technological advances. In testifying before the Committee on Post Office and Civil Service, Mr. Thomas C. Hickey, speaking for the Agricultural Publishers Association, said:

> These studies showed without exception that the farm press is not only the principal source; it is, for all practical purposes, the only source.
>
> It is highly important to the social as well as to the economic fabric of America that the family farm pattern survives. In Russia, the state owns and operates agriculture. In the United States, 96 percent of our 3,700,000 farms are family owned businesses, operated by individuals.
>
> The U.S. Department of Agriculture and the great universities keep a steady flow of information going to farmers through the news releases and bulletins they send to our editors.
>
> Our publications are, in a sense, an arm of the Government, and of the college experiment stations in the essential task of communicating vital information to the farmers of the Nation. The editorial content is almost solely of a helpful nature. Farm folks read our publications, not to be entertained but to do a better job of farming."

The farm magazines of the United States are now in financial straits, because they have done their job so well. In other words, because American agriculture has been modernized, the farm population has lessened; and this means fewer subscribers for magazines. Six years ago there were six major farm magazines. Two of these have since gone out of business, not because they were inefficiently managed, but because they could not overcome the price-cost squeeze at a time when the number of subscribers was rapidly falling off.

I should like to remind the Senate that agriculture is still the nation's leading industry, and that for the citizens of at least 20 States, farming is still the major source of income. The farm magazine is still vitally needed by this great industry. It is my earnest hope that the Senate will adopt the rates on second-class and third-class mail recommended by Senator JOHNSTON's committee, and thus will avoid doing irreparable harm to the nation's farm magazines.

Mr. JOHNSTON. Madam President, I wish to thank the Senator from Alabama for bringing to our attention the good being done by the farm magazines. It is true that they have given information to the farmers throughout the Nation, and have helped them to grow more cotton, more corn, and more wheat per acre.

I am a member of the Committee on Agriculture and Forestry, and our committee has been studying and looking into that matter. Today, the farmers in the United States are growing twice as much wheat per acre, on the average, as the amount being grown 12 or 15 years ago; and the same is true of many other commodities.

Mr. SPARKMAN. I am sure the figures for the production of cotton, peanuts, and other commodities are similar.

Mr. JOHNSTON. I am sure that is true.

Mr. SPARKMAN. I thank the Senator from South Carolina.

LEGISLATIVE PROGRAM

Mr. CARLSON. If there is no objection, I should like to ask the majority leader to tell the Senate what he has in mind for the rest of today and for the rest of the week.

Mr. MANSFIELD. Madam President, I hope that the Senate will remain in session until a reasonably late hour this evening, so certain amendments to the pending bill may be considered. I have discussed the matter with the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN]. It is our intention to have the Senate convene at 9 a.m. for the remainder of the week and to meet on Saturday.

ORDER FOR ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. MANSFIELD. Madam President, at this time I ask unanimous consent that when the Senate completes its business today it adjourn to meet at 9 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. This emphasizes the point that it is our hope that the Senate will stay in session until a reasonably late hour this evening, and that Senators who have amendments will submit them, and that the Senate will be able to dispose of at least some if not all of them today.

Mr. CARLSON. Can the distinguished Senator tell us about what he proposes for tomorrow?

Mr. MANSFIELD. The so-called fishyback bill is to be considered, Calendar No. 1747, S. 3115, to authorize the admittance of the vessel *City of New Orleans* to American registry, and to permit the use of such vessel in the coastwise trade. Several other measures will be brought up. There is no lack of work. I hope there is no lack of will to work toward speedy adjournment some time next week.

Mr. CARLSON. I thank the Senator.

AMERICAN FOREIGN POLICY—A PRODUCT OF FEAR

Mr. PROUTY. Madam President, American foreign policy today is the product of fear and gulls.

And if there was any doubt with respect to the source or fountainhead of this policy which may well spell disaster for the United States, that doubt has now been removed.

On September 16 it was not President Kennedy, it was not Secretary Rusk, but rather Chester Bowles who distilled for public information the essence of the administration's foreign policy. We must assume that this is an authoritative declaration of U.S. policy since it was released to the press by the White House. And, as Arthur Krock points out, it was virtually repeated in New York by Secretary of State Dean Rusk.

What is this Bowles policy to which the administration seems to adhere?

It is a policy that says to the Soviet Union and the Communist world, "What you have you can keep and we won't disturb you. But please don't take any more." And, yet, Mr. President, when the Soviet Union takes more territory, enslaves more people and destroys freedom in new spheres we do nothing, we simply repeat, "Please don't take any more."

The dictum of Mr. Bowles is that we keep in mind not only our own interests, but the interests of neutrals and adversaries. One wonders whether Khrushchev in conducting Soviet foreign policy takes into account the interests of the United States. I think history dictates that he does not.

It would seem that his policy is motivated entirely by what would enhance Soviet expansion throughout the world.

General Lucius Clay has brought sharply to focus the fact that the Soviet Union is determined to make what it can out of each of its exploitations. According to Clay, the Russians "add the pressure or subtract the pressure, depending upon the degree of resistance and danger which they think they are going to meet."

He notes, and rather significantly, that the Russians back down when the United States does something which can be overcome only by the use of force. He cites as an example the warning given the Russians that they would no longer be allowed to transport their war memorial guards to West Berlin in armored cars. This act was not only doing something, it was a firm declaration that we were withdrawing a concession previously made and that we would enforce the withdrawal.

Clay is not satisfied with a policy that says, "Keep what you have but please don't take any more." Clay would not have us simply react to pressure, he would have us apply pressure of our own.

The experienced general does not advocate this policy just for a given situation or just for one part of the world. But, in his own words, he would apply it "not only in Berlin, but everywhere, including Cuba."

In yesterday's New York Times an excellent article by Arthur Krock appears

prehensive disarmament—because the distrust on both sides is very deep. But, there are various steps short of disarmament which may be negotiable in the foreseeable future. These include measures to prevent the transfer of nuclear weapons to other countries, to reduce the danger of war by accident and to ban nuclear weapon tests.

This Conference has provided the United States with an unusual opportunity to communicate its views to the other nations present, and to demonstrate its own sincere desire for meaningful disarmament agreement. The United Nations debates, and in speeches elsewhere, the Soviet Union has frequently used its oversimplified slogan "General and complete disarmament in 4 years" as a propaganda weapon against the United States. Because the time for debate was limited or the forum of debate not conducive to probing analysis, the Soviet approach was not always revealed in its true light.

In this Conference, however, adequate opportunity is provided for full analysis and lengthy debate. As a result the Soviet participation has often been revealed as superficial and propagandistic. For example, I think we have now convinced most of the non-Soviet bloc participants in the Conference that "General and complete disarmament in four years" is wholly unrealistic and that we should spend more time in an attempt to negotiate more limited measures while, of course, retaining universal disarmament as an ultimate goal.

Mr. HUMPHREY. Mr. President, I salute the Arms Control Agency, particularly its Director and splendid staff, for the outstanding work it has performed. They have conducted their operations remarkably well under most difficult circumstances. I am sure they will continue to have the confidence of Congress.

Mr. JAVITS. Mr. President, I should like to be associated as a cosponsor of the bill with the distingished Senator from Minnesota. I think Bill Foster and his agency are entitled to the gratification and thanks of the country for their extraordinary work in what is probably our most delicate and sensitive field. I join with the Senator from Minnesota in hailing the first anniversary of the Arms Control and Disarmament Agency.

Mr. HUMPHREY. I thank the Senator from New York.

Mr. CLARK. Mr. President, I, too, wish to join the Senator from Minnesota and the Senator from New York in commending Mr. Foster and the staff of the Arms Control and Disarmament Agency upon the observance of their first year in office.

One of the most effective pieces of legislation passed by Congress last year was the creation of the Arms Control and Disarmament Agency. In my opinion, this agency holds within its hands the hope of the world. It is literally true that if this agency can perform its function and prevent nuclear destruction, the threat of war all over the world, the threat of chemical and radiological warfare may be lifted from the shoulders of ourselves, our children, and our grandchildren while Members of this body are still alive.

I know of no man who has worked more assiduously, more effectively, and with more common sense than Mr. William Foster, the head of the agency.

FEDERAL EMPLOYEE PAY REFORM BILL STUDIED THOROUGHLY BY COMMITTEE; NEED IS CLEARLY ESTABLISHED

Mr. YARBOROUGH. Mr. President, as a member of the Post Office and Civil Service Committee who has heard the evidence, I am greatly pleased to have had a part in the reporting of the Federal employee pay reform bill now before the Senate. For the first time in many years, we of the Post Office and Civil Service Committee have carefully studied the Federal pay system, and aided by the careful studies made by the administration, have reported a bill laying the basis for a sound reform instead of only a pay raise. The Senate committee has worked many months on this complex matter, with a view to improving the Federal service, and achieving justice to the Federal employee and officers and justice to the payer of Federal taxes alike. Two prime goals have been kept in mind: that Federal salary rates should be comparable with private enterprise salaries for equivalent work, and that within the Federal service there should be equal pay for substantially equal work. These goals are of self-evident desirability; the time has come to give them some effect.

Federal salaries, particularly in the upper grades, have been lagging behind comparable salaries. For instance, city managers and school superintendents in our larger cities have average salaries 25 to 40 percent above the highest rates under the Classification Act. With the vastly complex and important duties carried out by our senior civil servants around the world, the Federal Government must be able to compete with other employers in hiring the very best professional and managerial talent available.

The pending bill would correct this by providing pay raises scaled according to the principle of comparability, separated into two raises, the first effective immediately and the second on January 1, 1964. Since available figures indicate that Federal pay in the lower GS grades more nearly approximates that found in private enterprise, we were able to obtain comparability for them with some 5 to 6 percent after the two steps were provided. At the higher level, where the Government is having the greatest difficulty in attracting and retaining top-flight personnel, increases are scaled higher, up to a top salary of $20,000 for a GS–18. Of course in the top grades there is a failure to obtain full comparability, but we hope to correct that next year. As one goal of this reform is to try to eliminate situations where workers are receiving more than their supervisors, the committee did not feel it should create new inequities by raising the higher GS grades above the salaries set by the Executive Pay Act. Next year we shall restudy that act and see what adjustments are in order.

Paralleling these adjustments are the increases made in the Postal Field Service salary schedule. While the increases are roughly comparable to the classified schedule, the committee was concerned with the employment situation of the post office clerks and letters carriers. Unlike the general Government workers, there is very little opportunity for advancement from these positions. As a result, the committee felt it wise to provide a somewhat more generous increase for this group of employees, as it is no less important for the Government to be able to retain trained and competent workers in these jobs. A high turnover rate would be more expensive in the long run than paying these employees sufficient salaries now.

Proportionate salary reform schedules are provided by the bill for other groups of employees, including Foreign Service employees and Veterans' Administration medical employees. Similar raises are proposed for the judicial branch of the Government, except for those salaries specifically set by statute, and at a slightly lower rate of increase for legislative branch workers.

Of great importance in the bill is the inclusion of the raise in retired Federal employees' annuity, by provision identical to those previously approved by the committee and reported to the Senate. A 5-percent raise in present annuities is called for, but even this will not match the 5.8-percent rise in the cost of living since the last annuity adjustment was made. At present the average retired Federal employee gets an annuity of only $165 per month; while the average payment to a widow of a Federal employee now averages only about $60 per month; clearly increases are needed.

One desirable feature of the bill is in its statutory provision for providing adjustments. For those retired, the bill would provide a 3-percent increase when and if the cost of living rises another 3 percent. For active Federal employees, the President is to report to Congress annually on the results of a wage survey which will provide information on how the goal of comparability is being met. Both of these provisions are desirable in formalizing the standards to apply to salary and annuity adjustment questions.

Mr. President, I feel all the Federal employees of the country owe a great debt of gratitude to the chairman of our committee, the distinguished senior Senator from South Carolina [Mr. JOHNSTON], who has guided the committee through this very complex bill with patience and understanding. Also the staff of the committee has been indispensable in the great amount of work required to bring this bill to the floor.

POSTAL SERVICE AND FEDERAL EMPLOYEES SALARY ACT OF 1962

The Senate resumed the consideration of the bill (H.R. 7927) to adjust postal rates, and for other purposes.

Mr. CLARK. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 20, immediately following line 5, insert the following:

STANDARDS FOR DETERMINATION OF QUALIFICATIONS OF APPLICANTS FOR POSITIONS OF POSTMASTER

SEC. 115. In evaluating the qualifications of applicants for positions of postmaster, the United States Civil Service Commission shall give, with respect to each applicant, all due and appropriate consideration to experience in the postal field service, including seniority, length of service, level of difficulty and responsibility of work, attendance, awards and commendations, and performance rating.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Pennsylvania.

Mr. CLARK. Mr. President, the purpose of this amendment is to incorporate into the law a statement of congressional policy which will serve as a standard to guide the U.S. Civil Service Commission in selecting qualified persons from among those applicants for positions of postmaster. This amendment will in no way restrict administration discretion or operations under applicable provisions of law.

After the committee had recessed in its consideration of the pending bill I was surprised to learn that the Civil Service Commission does not at present take into account length of service in the Post Office Department. This is a noncontroversial amendment, and I hope the Senator from South Carolina will accept it, so that the Senate can get on with the business at hand.

Mr. JOHNSTON. I should like to study it for a short time. I may accept it. Personally I have always thought that length of service was taken into consideration.

Mr. CLARK. There is nothing controversial about it.

Mr. JOHNSTON. I should like to discuss it with other members of the committee. I should like to read the amendment. This is the first time I have heard of it.

Mr. CLARK. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CLARK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. I wonder if the Senator from South Carolina is willing to accept the amendment.

Mr. JOHNSTON. Mr. President, when the amendment was read it was the first time that I had heard of it. I thought all along that length of service was taken into consideration. It ought to be understood that naturally services rendered in fourth-class and third-class and first-class post offices should be taken into consideration.

Mr. CLARK. I have no doubt it would be, because all the amendment provides is that the U.S. Civil Service Commission shall give due and appropriate consideration to experience. This leaves it quite within the discretion of the Commission as to how much effect will be given to this kind of service.

Mr. JOHNSTON. Everything should be taken into consideration, just as is done now in considering the appointment of someone—as to how many men he has employed, and so forth. It probably would be well to adopt the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Pennsylvania [Mr. CLARK].

The amendment was agreed to.

Mr. CLARK. Mr. President, I call up my amendment identified as 9–25–62—E.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed to strike out section 305 (dealing with Communist political propaganda), including all that appears from line 9 on page 30, through and including line 5 on page 32, and renumber section 306 as "305".

Mr. CLARK. Mr. President, this is the first of three amendments that I shall offer which are intended to either repeal or, in the alternative, to modify the so-called modified Cunningham amendment, which is contained in section 305 of the Senate bill. I expect to speak at some length in support of this first amendment. Thereafter, I would be willing to agree to a unanimous-consent agreement, if the acting majority leader wishes to offer one. I would be willing to limit the time on each of three amendments so that Senators can leave here sometime tonight.

Mr. HUMPHREY. Does the Senator intend the unanimous-consent agreement to cover his first amendment also?

Mr. CLARK. My thought would be, if the acting majority leader would agree, that the time on each of the three amendments be limited to 1 hour, to be divided equally, one-half of the time on each amendment to be controlled by the proponent and one-half by the opponents, in accordance with the usual unanimous-consent agreement language, so that after I finish my opening speech, there can be debate on each of the three amendments.

Mr. HUMPHREY. In other words, the agreement would be effective an hour after the Senator's main speech?

Mr. CLARK. The Senator is correct.

Mr. HUMPHREY. It would apply to each of the three amendments?

Mr. CLARK. The Senator is correct.

Mr. HUMPHREY. Does the Senator have in mind that he might not use the full time allotment, and therefore would yield back a part of the time?

Mr. CLARK. It is entirely possible that that would be the case.

Mr. HUMPHREY. The Senator is very considerate. May I ask that one of the pages ask the Senior Senator from Oregon to return to the floor, before this agreement is entered into?

Mr. CLARK. May I say to the acting majority leader that I have already conferred with the senior Senator from Oregon, and he has authorized me to say that he has no objection.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that, after the Senator from Pennsylvania has concluded his opening statement with reference to his amendments, the time on each of the three amendments to be offered by him be limited to 1 hour, and that the time be divided equally between the proponents and opponents, to be controlled by the Senator from Pennsylvania and the Senator from South Carolina.

Mr. HRUSKA. I understand that the discussion of the Cunningham amendment will be quite extended. Several Senators have announced some interest in it. Therefore, I believe the situation should be canvassed a little more carefully. If the acting majority leader persists in his request at this time' I will be constrained to object.

Mr. HUMPHREY. In the light of this development, I shall not press the unanimous consent request. However, it might serve its purpose to alert Senators that we will be discussing this proposal at some length. So I suggest that the Senator from Pennsylvania proceed with his opening statement. We will now take it as it comes, so to speak, and after a while we may feel a little more agreeable about entering into a unanimous-consent agreement, as the hours wear into the night.

Mr. HRUSKA. How late does the Senator think that will be?

Mr. HUMPHREY. That is difficult to say. It may be 9 or 10 o'clock, as things look now.

Mr. CLARK. Mr. President, I ask unanimous consent that I may yield to the distinguished Senator from New York for not to exceed 2 minutes, without losing my right to the floor.

Mr. JAVITS. Mr. President, I wish to affirm, on the first day of the debate, my general support of the bill now before the Senate. It is my deep conviction that we must pay for what we get. I believe the postal workers and the classified workers are entitled to a pay increase. I think the committee, though not realizing everything it expected to achieve, has reported a reasonably good bill. I am with the committee on the bill, and also I think we must pay for it. So it was necessary, with the same clear sightedness and courage, if we wish people to look to us for justice, to carry the burden of a postal rate increase. I shall vote for that, too. There may be amendments, like that of the Senator from Pennsylvania, with respect to civil liberties and questions of freedom of speech, that I shall support. But fundamentally, I shall be with the committee on the bill, because I think every once in a while it is necessary to stand up and be counted. No one likes to vote for a postal rate increase, but we all like to vote for pay increases.

Therefore, in this case, considering the budgetary situation, the postal rate increase, and the pay increase had to be combined by the committee. The chairman did not relish that any more than did any of us. I think that having done so, and having faced his responsibility courageously, he is entitled to our support.

The postal workers and the classified workers will understand that it may be a true test of friendship when it is necessary to pay for what is being done for them.

I thank the Senator from Pennsylvania for yielding.

Mr. CLARK. Mr. President, I return to my discussion of the pending amendment. I may say to the relatively few Senators in the Chamber that I expect to speak for some time, in the event they wish to return to their offices or go elsewhere for the business which keeps all of us occupied in the Senate.

Mr. President, the purpose of the amendment is to delete from the Senate bill a modified version of the so-called Cunningham amendment. The House version of the so-called Communist amendment appears as section 12 of H.R. 7927 and was deleted in full by the Senate committee. It appears with a line through each word at pages 9 and 10 of the bill before us.

In order that Senators may understand what we are talking about, I ask unanimous consent that the House-passed version of the Cunningham amendment, which is section 12 of the House bill, entitled "Communist Political Propaganda," may be printed at this point in my remarks.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

COMMUNIST POLITICAL PROPAGANDA

SEC. 12. (a) Section 505 of title 39, United States Code, is amended by inserting immediately after the first sentence and before the second sentence in subsection (a) thereof, the following sentence: "In furtherance of this authority to counteract adverse usage of the mails and to reduce the domestic postal deficit, no international mail handling arrangement under which any postal rate, whether or not reciprocal, is established, shall permit the receipt, handling, transport, or delivery by the United States Post Office Department of mail matter determined by the Attorney General to be Communist political propaganda."

(b)(1) Chapter 51 of title 39, United States Code, is amended by adding at the end thereof the following section:

"§ 4008. Communist political propaganda

"No United States postal rate established by the Postage Revision Act of 1962 shall be available for the receipt, handling, transportation, or delivery of mail matter determined by the Attorney General of the United States to be Communist political propaganda financed or sponsored directly or indirectly by any Communist controlled government."

(2) The table of contents of such chapter 51 is amended by inserting

"4008. Communist political propaganda."

immediately below

"4007. Detention of mail for temporary periods."

Mr. CLARK. To paraphrase the original Cunningham amendment, it includes, first, a statement of purpose, which is to counteract adverse use of the mails and to reduce the domestic postal deficit.

International mail, which is handled under reciprocal or other postal rates, by treaty, will be denied receipt, handling, transportation, or delivery by the Post Office Department if the Attorney General finds the material to be Communist political propaganda under section (a) of the Cunningham amendment.

The amendment also provides that no postal rate established by the Postal Revision Act of 1962 shall be available for the receipt, handling, transportation, or delivery of mail which the Attorney General determines to be Communist political propaganda financed or sponsored directly or indirectly by any Communist controlled government.

This amendment, which is an administrative monstrosity, and is clearly unconstitutional, costly, damaging to our foreign policy, and unnecessary, was too rich for the blood of the Post Office and Civil Service Committee. We had a long, extended, and friendly discussion with the committee as to what, if anything, should be substituted for the original Cunningham amendment. We were not in accord. Finally, by a vote of 6 to 3, the present somewhat watered-down and revised version of the Cunningham amendment was put into the bill. It appears as section 305 of the Senate committee bill, which amends section 4008 of title 39, United States Code, by adding a new section dealing with Communist political propaganda. I ask unanimous consent that the text of the Senate committee language dealing with this matter be printed at this point in the RECORD.

There being no objection, the excerpt from the bill (H.R. 7927) was ordered to be printed in the RECORD, as follows:

COMMUNIST POLITICAL PROPAGANDA

SEC. 305. (a) Chapter 51 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"§ 4008. Communist political progaganda

"(a) Mail matter, except sealed letters, which originates or which is printed or otherwise prepared in a foreign country and which is determined by the Secretary of the Treasury pursuant to rules and regulations to be promulgated by him to be 'Commuinst political propaganda', shall be detained by the Postmaster General upon its arrival for deliverey in the United States, or upon its subsequent deposit in the United States domestic mails, and the addressee shall be notified that such matter has been received and will be delivered only upon the addressee's request, except that such detention shall not be required in the case of any matter which is furnished pursuant to subscription or which is otherwise ascertained by the Postmaster General to be desired by the addressee. If no request for delivery is made by the addressee within a reasonable time, which shall not exceed sixty days, the matter detained shall be disposed of as the Postmaster General directs.

"(b) For the purposes of this section, the term 'Communist political propaganda' means political propaganda, as defined in section 1(j) of the Foreign Agents Registration Act of 1938, as amended (22 U.S.C. 611(j)), issued by or on behalf of any country with respect to which there is in effect a suspension or withdrawal of tariff concessions pursuant to section 5 of the Trade Agreements Extension Act of 1951 or section 231 of the Trade Expansion Act of 1962, or any country from which any type of foreign assistance is withheld pursuant to section 620(f) of the Foreign Assistance Act of 1961, as amended.

"(c) The provisions of this section shall not be applicable with respect to (1) matter addressed to any United States Government agency, or any library, or to any college, university, graduate school, or scientific or professional institution for advanced studies, or any individual connected therewith, or (2) material whether or not 'communist political propaganda' addressed for delivery in the United States pursuant to a reciprocal international agreement under which the United States Government mails an equal amount of material for delivery in any country described in subsection (b)."

(b) The table of contents of chapter 51 of title 39, United States Code, is amended by adding at the end thereof the following:

"4008. Communist political propaganda."

Mr. CLARK. Mr. President, to summarize the Senate committee version, I point out that it provides that mail matter, except sealed letters, prepared in a foreign country, and which the Secretary of the Treasury—not the Attorney General—thinks is Communist political propaganda, as defined therein, shall be detained by the Postmaster General, upon its arrival in the United States, or upon its subsequent deposit in the United States domestic mail. Thereupon, the addressee is to be notified that such matter has been received, and he will receive it only if he requests it.

It should be noted that the first watering down of the original Cunningham amendment is that sealed letters will be exceptable.

Senators should note the second watering down, which provides an exception if the recipient is a subscriber to the Communist propaganda—in other words, if he has paid for it in advance. In such case he will be allowed to receive it without detention.

Then another exception is made; namely, that any Communist political propaganda addressed to any agency of the U.S. Government is exempt. Then any Communist political propaganda addressed to any library, college, university, graduate school, or scientific or professional institution for advanced study or any individual connected therewith is exempt from detention. So is any Communist political propaganda which is addressed to any individual. So, in fairness, it must be admitted that several large holes have been blasted in the wall created by the original Cunningham amendment.

However, I note—as I stated before, in colloquy with the Senator from Ohio—that the committee did not blast any hole in favor of the free enterprise, capitalistic press, including its editors, publishers, reporters, and commentators. They will not be able to receive such so-called Communist political propaganda unless they write in and ask for it, and thereby perhaps get their request placed in an FBI file and subject themselves to slander by any professional flag waiver who chooses to contend that those who make such requests are soft on communism because they choose to inform themselves about what goes on behind the Iron Curtain.

No similar exception is made for radio commentators or radio newscasters or television commentators or television newscasters; they are not considered, according to the committee amendment, to be sufficiently trustworthy to be allowed to receive this material without having it censored and screened and

without having a public record made of their names, so it can be available for all to read, with the result that some could say, "This person asked for Communist political propaganda."

Similarly, no exception is made for private businesses, or their research departments or research divisions. There are in this country many enterprises organized for profit, which, as a matter of the needs of their businesses and the competition they may face in other countries, may well require that information in regard to what is being taught and what is being done in the press and by the governments of Communist countries should be made available to them. However, they will not be able to receive it unless they state, in public, that they wish to receive it, and thus subject themselves to being placed on what might be called the reverse of the old Morgan preferred list. It will be recalled—the Senator from Ohio will remember this—that in the days when he and I were young, one of the things that was done in the stock market, which subsequently led to the organization of the Securities and Exchange Commission, was to get rid of the preferred list by which certain favored customers of the Morgan Co. and other big bankers in New York were placed on a list; and all who were on the list got a "break" by being able to purchase stock at 10, 12, or 15 points cheaper than anyone else could. We got away from that by means of legislation enacted in the early days of the New Deal. But this list would be practically the reverse of that; those who ask to have such Communist political propaganda delivered to them will have it delivered to them, but their names will be placed on a list. My guess is that that would not be particularly good for their reputation in the climate of opinion prevailing in certain areas of our country.

Another exception is made in the Senate committee proposal. The text reported by the Senate committee provides that the Secretary of the Treasury and the Postmaster General will not have to go through this screening process with respect to Communist political propaganda addressed for delivery in the United States "pursuant to a reciprocal international agreement under which the U.S. Government mails an equal amount of material for delivery in any such Communist country." This exception was never discussed in committee. I think I am telling no tales out of school when I say that the committee, after extended discussion, was in some desperation as to what should be done in this matter. Finally we were handed a proposed amendment and told verably that some officers of the administration thought it could be lived with, and we swallowed it hook, line, and sinker, by a vote of 6 to 3. So here it is. So I do not know any more than anybody else what this somewhat ambiguous language is intended to mean. It may be a great big hole in the wall. It may turn out to be no more than a keyhole.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield to the Senator from West Virginia, who was one of the three who voted against this amendment in committee. I hope he does not mind my so identifying him.

Mr. RANDOLPH. Oh, no. I shall vote, on a rollcall to uphold the position of the Senator from Pennsylvania.

Mr. CLARK. The Senator knows that the position he and I are taking is not a popular one to take in certain quarters in this country.

Mr. RANDOLPH. No, it is not an easy position to take.

Does my capable colleague from Pennsylvania believe that the Cunningham amendment as passed in the House is unconstitutional?

Mr. CLARK. I do not have a shadow of a doubt about it. My position is buttressed by the testimony of the Justice Department, which appears on pages 827 to 839 of the record of hearings on postal rates. I had the benefit of the extremely able brief by the Association of the Bar of the City of New York, substantiating what the Senator from West Virginia has just said—that the Cunningham amendment is clearly unconstitutional.

Mr. RANDOLPH. And the modified version, the Senate provision, is probably unconstitutional, too?

Mr. CLARK. I believe so, as I stated in my individual views on page 44 of the committee report. I will tell the Senator why. Although the Senate version opens up loopholes and let certain Communist propaganda filter through, nevertheless it sets up a detention system with respect to the bulk of so-called Communist propaganda, and the recipients would not get that mail unless they take affirmative action. That is censorship, and censorship is prohibited by the first amendment of the Bill of Rights in the Constitution.

Mr. RANDOLPH. In other words, we are dealing with class legislation.

Mr. CLARK. That is correct. We are saying, "If you are one kind of egghead, if you are on the staff of a university or a college, if you work in a library, you are a big boy and have grown up. You can read it and you will not be fooled by it." But we insult and affront perhaps 95 percent of the American people by the amendment, which says to them, in effect, "You are only a little boy. You may be influenced. You are not a free American citizen. You cannot make up your own mind. If you read it, you may see something we do not like. We do not trust you. So we will detain your mail and tell you we have it and how evil it is. Later on, you may get it, if you take certain actions which may jeopardize your reputation.

This type of nonsense is hostile to the concepts of a free society.

Mr. RANDOLPH. The Cunningham amendment and the pending, modified Senate committee amendment are unconstitutional, or probably unconstitutional. Is that correct?

Mr. CLARK. I would say that there is not much doubt, in my legal opinion, that both are unconstitutional.

Mr. RANDOLPH. But the Cunningham amendment and the modified version of the Cunningham amendment we are discussing both strike at the fundamental traditions of an America which we believe in. Is that not true?

Mr. CLARK. The Senator is eminently correct. This whole thing is the antithesis of the Declaration of Independence, the Bill of Rights, and the Constitution of the United States. It denies American citizens basic civil liberties.

Mr. RANDOLPH. I thank the Senator.

Mr. CLARK. I thank my friend for his helpful intervention.

Mr. LAUSCHE. Mr. President, will the Senator yield for some helpful information?

Mr. CLARK. I am glad to yield to the Senator from Ohio, whose views I always respect.

Mr. LAUSCHE. If the addressee states he wants the mail, is the postal department obligated to deliver it to him?

Mr. CLARK. Yes, in the Senate version; not in the House version.

Mr. LAUSCHE. That is, even though it is Communist propaganda, after the postmaster has written to the addressee, and the addressee has said, "Yes, I want this mail," the postal department must deliver it?

Mr. CLARK. The Senator is correct, and by so stating, he probably damns himself in the eyes of certain fellow citizens and risks getting his actions cited in the FBI files.

Mr. LAUSCHE. But the right to have it, the right of exchange of views, as guaranteed by the Constitution, is granted him?

Mr. CLARK. The Senator is correct, subject to the invasion of his right of privacy, because he has to declare publicly that he wants it.

Now I turn to the definition of Communist propaganda which is incorporated by reference into the Senate amendment.

Of all the unworkable definitions which have crept into the United States Code that I have ever seen in the course of 25 years of the practice of law and 6 years in this body, this one is the worst definition.

Let me point out to whatever legal colleagues may be present on the floor just what this definition requires. It defines "Communist political propaganda," among other things, as "any communication which the person disseminating the same believes will, or which he intends to, in any way influence a recipient."

Let us stop there. How in the world is the Secretary of the Treasury going to get into the mind of whoever it is in Russia, or Bulgaria, or Rumania, or Czechoslovakia, who mails to this country for delivery to an American citizen, to determine whether his intent or belief meets the definition of Communist propaganda? How in the world is the Secretary of the Treasury going to tell what the man who mailed the letter ever said unless he has a library of dictionaries?

This is the kind of subjective definition which I think every lawyer in this Chamber knows is utterly unworkable and may well be the basis of the unconstitutionality of the entire act.

How can anyone tell what an author believes? Again, how can anybody tell what he intends?

We know that the crime of murder must be intentional. Frequently we go into long and extended criminal trials in order to determine, from a consideration of the factual evidence, what was the intention of the man who committed the act. But how can we tell objectively what his intent was if he is not here, if he is in Russia? Or died there many years ago? How can we tell what his intent was if we may not know who he is and if we never saw him?

I submit this part of the definition is a legal monstrosity. What is it he has to believe, and what is it he has to intend? He has to believe it will or intend to "in any way influence a recipient with reference to the political or public interests, policies, or relations of the government of a foreign country or a foreign political party or with reference to the foreign policies of the United States or promote in the United States racial, religious, or social dissentions."

Let us take a look at that mouthfull for a moment.

Mr. LAUSCHE. May I ask the Senator if that is the full language of the definition?

Mr. CLARK. No. If the Senator would like to read it, I shall be glad to furnish him the full text. The full definition is even longer and worse. The text appears at 22 U.S.C. 611(j).

Mr. LAUSCHE. Very well.

Mr. CLARK. How in the world, Mr. President, can a Customs Bureau GS–7, in New York, with a Chinese dictionary in his hand, representing the Treasury Department, determine what somebody in China intended with respect to informing somebody in the United States? How many Chinese, Russian, Czechoslovakian, Rumanian, and Bulgarian interpreters will have to be hired by the Treasury Department, perhaps sent through graduate school, perhaps given training in psychiatry or psychology, and perhaps given psychoanalysis so that they can read the minds of men in foreign countries who do not even speak their own language?

I wish to read to my colleagues a couple of horrible examples of what took place when the executive order—now happily repealed by President Kennedy—which did create by executive action a form of screening of Communist political propaganda, under an almost identical definition, was in effect from 1951 to 1961.

I quote now from a Law Review article written by two extremely able and eminent professors of law at the University of Pennsylvania Law School who made a careful study of this matter, which study I had incorporated into the RECORD yesterday. This is the first of a couple of horrible examples:

The attempt was made to set up some sort of screening operation at every major point of entry for foreign mail. But the procedures were hasty and improvised, nor were there enough men everywhere to do the job properly—as at St. Paul where a warehouse full of material accumulated while a non-Russian-speaking customs employee, furnished solely with a Russian-English dictionary, attempted to select and detain all publications deemed to contain Communist propaganda.

I am not advised what grade or rank in the classified civil service this particular employee held, but I think, if he did his duty conscientiously—and I have no doubt that he did—he ought to be given the Medal for Merit for attacking what might be called a modern Augean stable, made out of paper in a warehouse in St. Paul, Minn. I never heard of a more hopeless task. I am sure he went at it with a zest and a desire to serve his country as best he could under pretty difficult conditions.

Mr. President, I cite another example:

The criteria for propaganda were so broad that enforcement officials in the field were able to find suspect matter in Soviet published works on art, religion, philosophy, 19th century literature—

At a time when the czars were running Russia.

and even so political a subject as "Chess for Beginners"—

They found Communist propaganda in "Chess for Beginners."

"How shrewd and able are these Russians. They are 10 feet high. We cannot allow any of the American citizens to read what they have to say, for they are too smart for us," says the Senate amendment.

Volumes of this kind were detained even though they had been published prior to the Czar Nicholas' demise.

I point out that under the Senate amendment there would be no time limit. We could go back to Ivan the Terrible, to Peter the Great, to Catherine of Russia, and still it might be necessary to read through the obscure Russian print, with a vocabulary different from ours, in order to determine whether some American citizen in Pennsylvania, Ohio, Texas, or South Carolina should be denied a look at this information, which some clerk in the Customs Bureau, acting under rules and regulations prescribed by the Secretary of the Treasury, might consider to be subversive Communist propaganda which might subvert his native Americanism.

Mr. President, there are at least six or seven other absurdities of the same nature as the two I have outlined. For Senators who are interested, I refer them to pages 19487 and 19488 of the CONGRESSIONAL RECORD for some interesting reading as to how foolish we can get.

Mr. RANDOLPH rose.

Mr. CLARK. I yield to my friend from West Virginia.

Mr. RANDOLPH. Mr. President, much has been made of the type of literature which was exposed to so-called censorship. Is that not true?

Mr. CLARK. Yes. I think this is an affront to the American people.

Mr. RANDOLPH. I should like the RECORD to reflect the fact that the program was in effect from 1950 until March 17, 1961.

Mr. CLARK. The Senator is correct.

Mr. RANDOLPH. On that date President Kennedy discontinued the program by issuance of an order which I think was an act of courage and good judgment. I do not believe the Chief Executive of this country has changed his position today.

Mr. CLARK. I know he has not.

Mr. RANDOLPH. He expressed his position in that order of March 17.

Mr. CLARK. I shall quote the President a little later in the debate.

Mr. RANDOLPH. Some 15 million pieces of literature were intercepted during that period of time; is that true?

Mr. CLARK. The Senator is correct. Fifteen million.

Mr. RANDOLPH. Is it not also a fact that the President of the United States, Mr. Kennedy, at the time he gave the order, said, in a statement issued by the White House on March 1, 1961—and I shall quote at least four words of the statement—that the 1951–61 censorship program has been found to have "no useful intelligence function"?

Mr. CLARK. The Senator is completely correct. I point out to the Senator that during the Eisenhower administration, on June 29, 1960, discontinuance of this program was unanimously recommended by an ad hoc committee of the Planning Board of the National Security Council. The National Security Council Committee certainly ought to know what might be dangerous to permit into this country on the basis of security. The Council is the highest agency charged with protecting this country and its security. Its ad hoc committee recommended unanimously the elimination of this program while President Eisenhower was in the White House.

Again I thank my friend from West Virginia for his very helpful intervention.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield to my friend from Texas, who I hope will not be annoyed with me when I say that he was the other member of the committee who joined with the Senator from West Virginia and myself in voting against this iniquitous amendment.

Mr. YARBOROUGH. My question of the distinguished Senator from Pennsylvania is this: Am I correct in my view that the Cunningham amendment would prevent delivery of this literature printed abroad?

Mr. CLARK. The Senator is correct.

Mr. YARBOROUGH. It would prevent delivery?

Mr. CLARK. The Senator is correct.

Mr. YARBOROUGH. The committee amendment would provide that mail matter which was printed or otherwise prepared in a foreign country might be detained by the Postmaster General upon its arrival for delivery in the United States, and that the Postmaster General then would write to the addressee, and would wait—implied under the language—until he heard from the addressee, and the mail would be delivered only upon the request of the addressee. Would that mean he would have to keep a list of addressees, so that he would know whether they wrote and requested it or not?

Mr. CLARK. The Senator is correct.

Mr. YARBOROUGH. In other words, the amendment would lead toward a police state.

Mr. CLARK. Without the slightest question.

Mr. YARBOROUGH. The Senator has covered the point.

Mr. CLARK. It seems to me that the Cunningham amendment would, by absolutely stopping mail matter in the first instance provide a wall of ignorance.

I wonder if my friend, as a lawyer, does not agree with the Senator from West Virginia [Mr. RANDOLPH] and me that the Cunningham amendment is clearly unconstitutional and so is the modified Senate version.

Mr. YARBOROUGH. The modified Senate version provides for a police state; whether or not it is unconstitutional, I am constitutionally opposed to a police state.

Mr. CLARK. Does not the Senator from Texas agree with me that such action is forbidden under the first amendment to the Constitution of the United States?

Mr. YARBOROUGH. Yes.

Mr. CLARK. I should like to read to my friend from Texas an example of how eager they could get under the old executive order program which we would now recreate by legislation if the amendment should be agreed to. I quote from a letter that the Postmaster General actually wrote to a university president addressee of so-called Communist propaganda:

> As you no doubt know, Communist propaganda has greatly increased in volume and viciousness and is being addressed to many persons and institutions which object to receiving such matter.

I ask Senators to note the following statement:

> It is believed to be incumbent upon this Department, therefore, to obtain some information as to the position of addressees of such publications where exceptions to the general rule of nonmailability are made.

They want to know what position the recipient occupies. I ask my friend from Texas, Why?

Mr. YARBOROUGH. Is it not true that under the committee amendment, if the Soviet Embassy wanted to embarrass people in America, all it would have to do would be to mail literature to anti-Communists. Anti-Communists would be put on the preferred list of people receiving Communist literature, and the amendment would put it into the hands of Communists to smear every anti-Communist in America.

Mr. CLARK. Yes, if the hypothetical anti-Communist wrote to the Postmaster asking for the release of the material detained.

Mr. YARBOROUGH. But his name would be on the list anyway. The fact that his name was on a list of recipients of Communist literature would be bandied about.

Mr. CLARK. The Senator is quite correct. He has made a refinement in my thinking, for which I thank him. In other words, there would be two kinds of preferred lists. The first would be the addressees. The second would be those who asked to get the information.

Mr. YARBOROUGH. They would all be on the list, including those who said they did not want to be on the list. They could say that they were caught, and would try to weasel out. We would put into the hands of the Soviet Embassy the ability to smear anti-Communists in America.

Mr. CLARK. Mark this point: As I read the committee amendment, Members of Congress would not be exempted from this provision. If a Soviet ambassador wanted to start a line of Communist propaganda which would go to the 435 Members of the House of Representatives and the 100 Senators, we would be on the list, too.

Mr. YARBOROUGH. Oh, yes.

Mr. CLARK. The only exception is matter addressed to any U.S. Government agency. The Senator well knows that that kind of language is strictly construed. It has reference to agencies in the executive department. The Senate is not properly, in legal terms, a U.S. Government agency. So we, too, could be on the list.

Mr. President, having explained in some detail what the amendment would do, I return to the reasons why I would prefer to rely on the commonsense and patriotism of the American people to reject any Communist propaganda they might receive through the mails, instead of relying on a censorship system—a censorship system which is unnecessary, costly, unconstitutional, and would do damage to our foreign policy.

In that connection I should like to cite in support of what I have said the views of the last previous and the present Presidents of the United States, Dwight D. Eisenhower and John F. Kennedy.

Former President Eisenhower, in a letter dated June 24, 1953, to Mr. Robert B. Downs, then the president of the American Library Association, wrote:

> We must in these times be intelligently alert, not only to the fanatic cunning of the Communist conspiracy, but also to the grave dangers in meeting fanaticism with ignorance, for in order to fight totalitarians, to exploit the ways of freedom to serve their own ends, there are some zealots, who, with more wrath than wisdom, would adopt a strangely unintelligent course. They would try to defend freedom by denying the friends of freedom the opportunity of studying communism in its entirety, its plausibilities, its falsities, its weaknesses.

We are now about to do what President Eisenhower warned us against. We know, and he knows, that freedom cannot be served by the devices of the tyrant. Yet, as the Senator from Texas has so well said, what we would do in agreeing to the amendment would be to create, in modified form, a police state—pale, to be sure, taking only the first steps, but nonetheless clearly going down the road toward a police state, the very kind of government which has been abhorrent to the whole traditions of the American people since the days of the Declaration of Independence.

Let me refer further to what President John F. Kennedy's White House statement had to say in this regard. On March 17, 1961, following consultation with Dean Rusk, Secretary of State, J. Edward Day, Postmaster General, C. Douglas Dillon, Secretary of the Treasury, and Attorney General Robert F. Kennedy, President Kennedy ordered the discontinuation immediately of the program intended to intercept Communist propaganda from abroad, which it is now proposed, we should reinstate by legislative action.

The President in his statement noted that discontinuance of this program was unanimously recommended by an ad hoc committee of the Planning Board of the National Security Council, in a report rendered while President Eisenhower was in the White House, on June 29, 1960. The Planning Board unanimously concurred in the recommendation of its committee.

For reasons unknown to me, the recommendation was not carried into effect.

After the House adopted the Cunningham amendment last January, President Kennedy was asked at his press conference:

> Mr. President, what is your view of the House amendment to the postal rate bill which would prohibit the Post Office from distributing mail labeled as Communist propaganda?

The President replied:

> Well, I think it does not give the Attorney General—I have just read the language here—it does not give the Attorney General very clear guidance as to what he is supposed to label Communist and political propaganda. Is he supposed to label newspapers that may be received or speeches, or whatever they may be, so that the language is somewhat vague. In addition, I think we want to realize that this is a reciprocal matter, and I think in the last 12 months ending March 31, 1961, we sent a total of 16 million pounds of mail of all types sent to the Iron Curtain countries, and food packages and all of the rest, and we were only receiving 2.3 million pounds.

We have had testimony in open and executive session from both the Executive Director of USIA, Mr. Murrow, and in executive session from the Assistant Secretary of State for European Affairs, Mr. William Tyler, who stated that there is a substantial and increasing amount of American mail matter—the magazine "America" is only one of many items—going through the Communist mails and being delivered to individual citizens in Communist countries. This information they are certain of because of subsequent requests and responses from recipients.

This mail is increasing day by day, week by week, year by year, as the educational system of Russia throws up more and more men of inquiring minds, men of the renaissance, who are anxious to know.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. RANDOLPH. Searchers for the truth.

Mr. CLARK. Searchers for the truth, who are anxious to know what is going on in the Western World. Does anyone think for a minute that if we cut off the flow on our shore the bureaucrats in the Kremlin will not retaliate and cut off the flow of what we have sent to them? As Mr. Murrow has so well stated publicly what he stated in executive session, and which I can repeat now, "One candle in a dark room is worth more

than a hundred candles in the sunshine."

The value of every bit of American mail matter going into Russia is worth at least 100 times the propaganda that they send over to us, by which no high school graduate is going to be subverted or influenced.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. RANDOLPH. For the RECORD, to reinforce what the Senator has said, in reference to the testimony given by Mr. Murrow in executive session, I should like to indicate that during the hearings it was my privilege and responsibility to question Mr. Murrow on that point.

Mr. CLARK. The Senator did so very ably.

Mr. RANDOLPH. What the Senator has indicated as the position of Mr. Murrow at that time spells out the value of what we are doing in getting through to Russia.

Mr. CLARK. If the Senator will indulge me for a moment, I should like to ask him whether he does not recall the testimony of the Assistant Secretary of State as to the large volume of American material which is being disseminated from the American Embassy in Moscow, without any overt interference.

Mr. RANDOLPH. That was emphasized for the committee, and very forcefully. Also I believe there was another witness who said in effect what the Senator has just stated.

Mr. CLARK. That is correct. It is Mr. Tuch, of USIA. His testimony was also given in open hearing, so I can read it into the RECORD:

Mr. TUCH. There are certainly a number of private organizations in this country who send publications into the Soviet Union and other Iron Curtain countries on a continuous basis. We have evidence, personal conversations and observation, that many of these do get through. They are not sold there.

Senator CARLSON. They are just mailed direct to individuals or to organizations?

Mr. TUCH. Yes.

Senator CARLSON. Do you know of any magazine that is published in the United States that is officially barred from these countries? Do you have any information on that?

Mr. TUCH. No, sir.

I was in Moscow last September. The magazine "America" was being sold on the newsstands. "America" is a fine magazine and very popular in Russia. It carries out the ideals and traditions of our country, pointing out the value of our free American society. It is illustrated in a most attractive way. It carries articles pointing to the high standard of living in this country. It is the kind of thing that is needed in bringing down the wall of ignorance between our two countries.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. CLARK. I am very happy to yield.

Mr. RANDOLPH. The Senator has indicated the need for breaking down the wall of ignorance. Certainly, if we are to lower the barriers between peoples, in this instance between the Soviet Union and the United States, it will not, in the opinion of the Senator from West Virginia, be fostered by the adoption of the modified Cunningham amendment, as proposed in the Senate committee version. There will come a time when we will learn to live with the peoples of the earth through understand, through mutual respect, and through appreciation.

I know not when that hour will strike, but it will come. I do not want to be a party to placing an obstacle in the path of a search or pursuit for such a peace.

Mr. CLARK. I share the views of the Senator from West Virginia. I wish to direct a question to him. Unfortunately, as he well knows, there are in the State of West Virginia and in the Commonwealth of Pennsylvania many fine American people—men, women, and young people—who, because of economic distress, are without employment. Unfortunately, the public assistance rolls of our two States are among the highest in this country. Yet I have faith and confidence in every one of those citizens of West Virginia and Pennsylvania. I commend them on their Americanism. I know they are devoted to the principles and ideals of our country.

Does the Senator think for one minute if this Communist propaganda were mailed to this class of unfortunate American citizens, there would be any danger of subverting any of them or any appreciable number of them to the cause of communism?

Mr. RANDOLPH. No. The hill people of West Virginia may not in some instances have the formal eduaction possessed by the citizens of other sections of the country, who, in a sense, are economically more fortunate. However, the fortitude of the West Virginian who has had a reasonable education—and we believe that most of our people have had that kind of education—would not admit of any difficulty on the part of that person to discern that which would be damaging to this country because of some periodical in which such an assertion had been printed.

I think that, by and large, the people of the country as a whole, Pennsylvania and West Virginia included, are diligent in their effort to make certain that Congress does not do violence to the basic principles upon which the Nation was founded.

Mr. CLARK. Does not the Senator from West Virginia agree with me that we can rely on the commonsense and patriotism of the people of West Virginia and Pennsylvania to reject propaganda as being alien to the American way of life?

Mr. RANDOLPH. I think so. George Washington is believed to have said during the Revolutionary War, when the Nation was passing through that dark period of opposition to the British Crown:

Give me but a banner to plant upon the hills of West Augusta—

He was speaking of West Virginia—

and I shall gather around me men who will set this Nation free.

He realized that in the hills were freedom-loving people; and the motto of West Virginia today is: "Mountaineers Are Always Free."

Mr. CLARK. The Senator from West Virginia will recall a quotation attributed—perhaps erroneously—to Voltaire, that great French philosopher whose thoughts and actions led to the French Revolution and the freeing of France from the tyranny of a controlled society, a police state. Voltaire was reported to have said:

I despise everything you say, but I will defend to the death your right to say it.

I despise and the Senator from West Virginia despises Communist propaganda; but in a free country we should not resort to the same kind of totalitarianism that was the rule in France before the French Revolution, and which the Cunningham amendment would now restore to the law of free American people.

Mr. RANDOLPH. Yes; and if we are to quote—and I must give it in paraphrase—it was Thomas Jefferson who said:

The strength of our Republic is that which is done through an enlightened people.

Mr. CLARK. I thank the Senator from West Virginia. I turn now to the balance of the statement of the President of the United States at his press conference last January, when he was asked his views on the Cunningham amendment, which had just been adopted by the House, said:

Now, there has been a drop—in the amount of mail coming in from Communist countries in the last few months.

The President was referring to a decrease in the amount of mail coming in from Communist countries since he had eliminated the Executive order which had created this censorship during the end of the Truman and all of the Eisenhower years.

I continue to quote from the President's statement. He had said there had been a drop in the amount of mail coming in from Communist countries since the spring of 1961, which was when he had lifted the Executive order.

If there is also an effort made by the Communists to deny us ability to send mail, it is going to present serious problems for a good many Americans who have been carrying on correspondence with friends and relatives. Now, I know that is not the purpose. I think that the Senate should examine the language very clearly and make sure that it is effective and is responsive to our national needs, and determine whether the rather generalized instructions to the Attorney General fall within the necessity of legal precision.

I think the American people are used to hearing all sides, and I don't think that they are particularly impressed by a good deal of what I have seen of propaganda. We send a good deal of mail out and I want to be sure that our rights to send our mail and our views and our correspondence to all parts of the world are not interfered with.

I share the views of the President of the United States. That is why I propose this amendment and its two companions.

Mr. President, I have already done, to the best of my ability, the task of per-

suading Senators that this definition is a legal abortion. There is no legal precision about it. It requires the enforcer of the act to get inside the mind of someone in China or Russia. It does not even seek knowledge to determine what his intent was, what he wanted to do, what his purpose was.

Certainly there is no clear "present danger" standard, as required by the Supreme Court for infringements of the first amendment. So I think this definition, in and of itself, is enough to require the rejection of the amendment.

Mr. President, I yield to the Senator from Minnesota, without losing my right to the floor.

Mr. HUMPHREY. Mr. President, I should like to make an inquiry of the Senator from Pennsylvania and then propound a unanimous-consent request relating to two of his amendments.

Mr. CLARK. Mr. President, I yield for that purpose, with the understanding that I shall not lose my right to the floor.

Mr. HUMPHREY. Will the Senator from Pennsylvania state the numbers of his other two amendments?

Mr. CLARK. One is designated "9–25–62—F"; the other is "9–25–62—B." The present amendment is designated "9–25–62—E."

Mr. HUMPHREY. The two remaining amendments are F and B?

Mr. CLARK. Yes. After we have finished with the Cunningham amendment, I shall offer another amendment, the consideration of which should be brief. That amendment deals with the pay scales of legislative employees, who I think have been treated most unjustly.

Mr. HUMPHREY. After the Senator from Pennsylvania has discussed the pending amendment, does he expect to ask for a yea-and-nay vote or a voice vote?

Mr. CLARK. A voice vote.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that as to the amendments of the Senator from Pennsylvania designated "F" and "B" the debate be limited to 1 hour on a side tomorrow following the morning hour, the Senate beginning its session tomorrow at 9 a.m., and that the time on the amendments be divided equally between the Senator from Pennsylvania and the Senator from South Carolina [Mr. JOHNSTON], the chairman of the committee.

Mr. JOHNSTON. Mr. President, will the Senator from Minnesota restate the time to be allotted on the amendments?

Mr. HUMPHREY. One hour on a side for each amendment.

Mr. CLARK. One hour on each amendment, half an hour on a side.

Mr. HUMPHREY. I wanted to be certain that the Senator was given plenty of time.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The unanimous-consent agreement was subsequently reduced to writing, as follows:

Ordered, That on Thursday, September 27, 1962, following the conclusion of the morning business, the Senate proceed to consider two amendments (printed as B and F—9–25–62), to be proposed by Mr. CLARK to H.R. 7927, the Postal Services and Federal Employees Salary Act of 1962, and that debate on each thereof be limited to 1 hour, to be equally divided and controlled, respectively, by Mr. CLARK and Mr. JOHNSTON. (Sept. 26, 1962.)

Mr. HUMPHREY. Mr. President, I should like to ask the Senator from Pennsylvania, who has been most cooperative and helpful in these matters, if it is his intention, once he has concluded with this amendment, to attempt to seek a yea-and-nay vote or to have a voice vote.

Mr. CLARK. I shall be reluctantly content with a voice vote, having been so persuaded by my able colleague, the senior Senator from Minnesota.

Mr. HUMPHREY. I thank the Senator from Pennsylvania. Is it the intention of the Senator then to offer another amendment, that one relating to the pay scale of legislative employees?

Mr. CLARK. I could do that today or tomorrow. I should prefer to finish with the Cunningham amendment.

Mr. HUMPHREY. I desired to accommodate the Senator from Pennsylvania. I merely wished to let other Senators know what they might expect this evening in the way of yea-and-nay votes. It is understood, then, that there will be no yea-and-nay votes tonight.

Mr. CLARK. In my opinion, the Senate will be in a better mood to do justice to its legislative employees, whether they are employed in the offices of individual Senators or in committees, after the Senate has disposed of the so-called Cunningham amendment, than during what might be called the middle of the battle on that amendment.

Mr. HUMPHREY. I think the Senator from Pennsylvania is correct. The Senate could then continue with germaneness to this particular topic.

Mr. JOHNSTON. Mr. President, if there is to be a yea-and-nay vote, it will be necessary to notify Senators to remain available.

Mr. HUMPHREY. There will be a voice vote.

Mr. CLARK. Mr. President, I can understand the anxiety of the distinguished Senator from South Carolina, for unless he is very careful, he will lose the voice vote, so he had better be sure to get plenty of troops into the Chamber.

Mr. HUMPHREY. Knowing that the Senator from South Carolina lives in the tradition of Stonewall Jackson and Robert E. Lee, I have a notion that his troops will be here.

Mr. CLARK. I agree.

Mr. JOHNSTON. I agree with the Senator from Pennsylvania. We have the votes; all we have to do is to get them here.

Mr. RANDOLPH. Mr. President, will the Senator from Pennsylvania yield?

Mr. CLARK. I yield.

Mr. RANDOLPH. I regret that the Senator does not pursue a request for a yea-and-nay vote.

Mr. CLARK. If the Senator from West Virginia desires a yea-and-nay vote, I shall be glad to join him in the request. I was speaking for myself only.

Mr. RANDOLPH. I am not certain that we could obtain a yea-and-nay vote.

Mr. CLARK. I do not believe a quorum could be established tonight without great difficulty.

Mr. RANDOLPH. The reason I raised the question was to see where we would stand tomorrow with reference to this amendment. Will there be a yea-and-nay vote tomorrow on this point?

Mr. CLARK. I shall ask for a yea-and-nay vote tomorrow. I hope the leadership will help me to get it both on amendment "B" and amendment "F," the first of which is a substitute consisting of a modified version of the Walter bill, which passed the House of Representatives, was reported by the Senate Committee on the Judiciary, and is now on the calendar, and which, in my judgment, should satisfy the most ardent patriot in this body with reference to this particular subject.

The other amendment would provide the President of the United States with some kind of discretion to put the committee amendment into effect, as we have already given him discretion with respect to trade with Cuba and Yugoslavia.

Mr. HUMPHREY. I will do everything I can—and in connection with this matter I speak for the majority leader, with whom I have consulted—to see to it that the Senator from Pennsylvania is successful in having yea-and-nay votes taken on the question of agreeing to the several amendments which he will offer tomorrow.

Mr. HRUSKA. Mr. President, will the Senator from Pennsylvania yield?

Mr. CLARK. I yield.

Mr. HRUSKA. In regard to having yea-and-nay votes taken, let me say that I will cooperate fully, on this side, insofar as my influence or my voice will carry. However, the Walter amendment has already been tried; and, with regard to the other amendment, the President has his way now; and these are only two ways to try to repeal and strike out the committee substitute for the Cunningham amendment—which is what the pending amendment is. I thought the Senate would be interested in knowing what the issue is.

Mr. CLARK. I shall not quarrel with the Senator from Nebraska on his statement; what he has said is substantially correct.

Mr. HRUSKA. The Senator from Pennsylvania is always courteous in connection with matters of this kind.

Mr. RANDOLPH. Mr. President, will the Senator from Pennsylvania yield?

Mr. CLARK. I yield.

Mr. RANDOLPH. I may be laboring this point too long, but I wish to make sure that on the basic subject matter of the three approaches, yea-and-nay votes will be taken. Some Senators would wish thus to be able to register their votes.

Mr. HUMPHREY. I assure the Senator that that will be done. I do not like to ask unanimous consent that yea-and-nay votes be ordered, because that would be bad practice.

Mr. RANDOLPH. Yes.

Mr. HUMPHREY. But we shall cooperate, tomorrow, and shall see to it, insofar as we can, that yea-and-nay votes are taken on both the amendments.

Mr. RANDOLPH. I appreciate that assurance.

Mr. CLARK. Mr. President, there has been some quibbling about the amount of mail and printed material passing between Communist areas and the United States. It has been said that the very large poundage of material going from the United States to Russia consists largely of food packages. I do not believe that view to be correct. Therefore, I ask unanimous consent to have printed in the RECORD a table prepared by the Treasury Department which appears in the committee hearings at page 862. The table is entitled "Printed matter (whether or not propaganda) received in the mails at New York, N.Y., from countries designated as Communist areas pursuant to 19 U.S.C. 1362."

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Printed matter (whether or not propaganda) received in the mails at New York, N.Y., from countries designated as Communist areas pursuant to 19 U.S.C. 1362

	Total pieces
January 1960	1,737,181
February 1960	1,799,500
March 1960	1,337,889
April 1960	1,351,662
May 1960	1,507,153
June 1960	1,701,872
July 1960	1,319,991
August 1960	1,488,786
September 1960	1,172,245
October 1960	954,141
November 1960	912,697
December 1960	783,738
Total, 1960	16,095,578
January 1961	889,153
February 1961	816,367
March 1961	994,586
April 1961	905,835
May 1961	854,373
June 1961	945,551
July 1961	777,752
August 1961	974,550
September 1961	775,209
October 1961	826,184
November 1961	667,192
December 1961	627,705
Total, 1961	10,054,457
January 1962	923,383
February 1962	715,671
March 1962	889,717
April 1962	826,797
May 1962	783,738
Average monthly imports:	
1960	1,341,298
1961	837,871
1962 (1st 5 months)	827,861

Mr. CLARK. The table shows that during the 12 months of 1960, when the former ban was in effect, the total number of pieces of mail received only at New York City—not at Philadelphia, Baltimore, Savannah, New Orleans, Los Angeles, San Francisco, Portland, Oreg., Seattle, or any other port, but just at the port of New York—was 16,095,578. In 1961 the amount decreased—after the old screening system was repealed—by approximately 37 percent; the total number of pieces decreased from 16,095,578 to 10,054,457 pieces.

There has been a further drop—as shown by the table I have just had printed in the RECORD—during the first 5 months of 1962. We can judge the extent of the drop by examining the figures in the table, which show the average monthly imports of printed matter received at New York from Communist areas. In 1960, the average was 1,341,298 pieces a month. In 1961, after the Executive order was repealed, after there was no censorship of Communist matter coming into this country, the monthly average decreased to 837,871 pieces That drop has continued, although at a slightly lower rate, during the first 5 months of this year, for which the average monthly imports have been 827,861 pieces.

This is in direct contradiction of the testimony given before the Senate committee by Representative CUNNINGHAM, as his testimony appears on page 916, of the Senate committee hearings.

Mr. President, at this time I wish to discuss the administrative problems which will be recreated by this amendment. Let us note, of course, that the amendment applies to substantially more than the pieces of mail referred to in the table which I have just had inserted in the RECORD. An average of 839 million pieces of foreign mail is received in the United States each year, and there are 170 points of entry of foreign surface and air mail in our country.

Moreover, the committee proposal applies to internal U.S. mailings of Communist propaganda, because of the language of the Senate committee amendment which appears on page 30, at line 20 of the Senate committee text, which includes within the category on which the Postmaster General will act, at which point the policy determinations of the Secretary of the Treasury must stop—referring to mail—"or upon its subsequent deposit in the U.S. domestic mails."

So if someone were to put into the mail at, let us say, Bethlehem, Pa., and were to direct it to a citizen in Allentown, Pa.—Allentown is immediately adjacent to Bethlehem—some Communist propaganda which had been printed in Russian in 1919, it would be the duty of the Postmaster General to intercept it and detain it.

I reiterate, Mr. President, how crazy can we get? There are 45,000 post offices in the United States, the postmasters or his employees in each of which are directed by this amendment to search out, find, and detain Communist propaganda.

I wonder how the postmaster in a small Pennsylvania town, or, indeed, a small town in South Carolina, or a town in Nebraska, can be expected to have the necessary erudition to determine whether a piece of mail written in Russian or Chinese—and let me point out there are hundreds of written dialects in the languages of each of those countries—did or did not contain Communist propaganda which the author believed would or intended to influence the recipient to take a position in favor of a foreign policy of a Communist country, whether or not the foreign policy happened to be in accordance with the policy of the United States of America.

Imagination staggers at the numbers of interpretors who would have to be hired if this amendment were to be literally enforced. I do not think any Senator is so naive as to think anybody ever intended this amendment to be enforced. This is only a gesture. In all candor, it is a neo-Joseph McCarthy gesture, intended to make those who support it appear to be patriotic American citizens and those who oppose it appear to be soft on communism. This amendment has no useful effect at all—it might have extremely harmful effects—it is not in the national interest.

Let me point out the experience and the policy of other countries in the free world with respect to this question. I often wonder how guardians of the public conscience who are quite unwilling to let material which they consider subversive be considered by ordinary citizens of the United States feel with respect to the people of France, West Germany, Great Britain, Italy, and Canada.

Do the proponents of this amendment really believe that the citizens of those countries are more patriotic than citizens of the United States, or more intelligent than citizens of the United States, or less likely to be subverted by the false doctrines of communism than the people of the United States?

I should think the proponents of the amendment would be beating their chests and saying, "We yield to no man in holding forth the patriotism of the average American citizen. He is far more patriotic than the citizen of France or West Germany or Great Britain or Italy or Canada."

Yet the governments of those countries do not think it necessary to create this kind of police state mechanism to defend their citizens from the dangers of Communist subversion. It so happens that there are rather large Communist Parties in both France and Italy, and there was a time when they were a threat to the democratic way of life in those countries. One might think that the democratic parties of those countries, which were doing their best to decrease the influence of the Communist parties in their countries, would have been the first to resort to the police state method by keeping out of the mails of those countries Communist propaganda intended to foster the political views of the Communist Parties of those countries, which were a threat to democratic liberties. But no. They knew better.

I now refer to the CONGRESSIONAL RECORD of yesterday, at page 19485. I am paraphrasing from the U.S. Information Agency memorandum which appears at that place.

The press attaché of the French Embassy, Jean Baube, advises that France has no screening process. It should be noted that, as a matter of internal security, France may destroy material, even of domestic production, but this is done without regard to material going through the mails directed to individual citizens, corporations, or institutions.

In West Germany—and the source is Art Hoffman, presumably an official of the West German Embassy—that the

practice of the Communists is to smuggle material into West Germany and then distribute it by domestic mail. They were unable to determine whether there is a statute on the books, but certainly there is no concerted effort to censor and screen the mails of West Germany.

With respect to Great Britain, the USIA memorandum continues, there is no specific information, but, to the general knowledge of Mr. M. A. M. Robb, Information Minister, there is no statute or administrative ruling providing for censorship or screening of mail. There has been from time to time a spot check made of material for internal security reasons, but the mail was never withheld from the addressee, and this applies to newspapers, magazines, and books as well as letters.

I turn to Italy, where there are no restrictions on the entry of second- or third-class mail into the country. I referred earlier to the existence of a large Communist Party in that country, a party which, happily, is decreasing, decreasing, and decreasing year by year, as the Italians, who were used to tyranny under Mussolini, become more used to freedom under their democratic governments. So there is no censorship in Italy, and the Communist Party can prepare and distribute its own literature without legal inhibition.

In Canada, the public information officer of the Embassy states, neither administratively nor legislatively is there any screening or stoppage of Communist propaganda. There may be the usual legislation on seditious or treasonable material—legislation which is already on our books—and there is a section in Canada's customs tariff which prohibits the importation of books which are treasonable and seditious, but there is no censorship of mail.

The memorandum gives similar information with respect to Japan. I shall not detain the Senate by going into that at greater length.

I have spoken of the administrative difficulties of this proposal, but I have said nothing about the cost. I wonder how the Appropriations Committees of the Senate and of the House would look at a request for the hundreds of thousands of extra postal employees and Treasury employees who would be required to enforce this amendment if its sponsors sincerely wanted it enforced.

I suggest that any such request would double, if not triple, the postal deficit, which the bill is intended to reduce. It would double, if not triple, the number of employees required by the Post Office Department. Probably it would cause a vast expansion in the number of employees in the Treasury Department, who would have to write the little rules and regulations which the Post Office Department and Customs Bureau would have to enforce.

Mr. RANDOLPH. Mr. President, will my colleague yield?

Mr. CLARK. I yield to my friend from West Virginia.

Mr. RANDOLPH. Is it not a fact, to be very frank with one another, that the Justice Department would not wish to undertake this task? Is that not true?

Mr. CLARK. I am sure it is true, although I have no first-hand knowledge to that effect.

Mr. RANDOLPH. At least, the Justice Department representatives came and spoke to the committee against the Cunningham amendment did it not?

Mr. CLARK. The Deputy Attorney General, Mr. Katzenbach, gave eloquent testimony against not only the Cunningham amendment, but also any pale replica thereof.

Mr. RANDOLPH. Is it not also the opinion of my colleague that the Post Office Department, let us say, moves backward when faced with a challenge possibly to be assigned the administration of this proposal? Is that not true?

Mr. CLARK. Of course it is true.

I have deplored this before, and again I call to the attention of my friend our inability to place cartoons in the CONGRESSIONAL RECORD, because the one published this morning in the Washington Post and Times Herald, by Herblock, entitled "Little Bundle From Congress," is an excellent one. It shows a big package of mail in which is a sort of Neanderthal baby, quite a horror, in a bag which bears the title "Censorship-of-the-Mails—Legislative Monstrosity." The package is directed to the "Attorney General," but the name of the Attorney General is crossed out. Then it says "Try Postmaster General," but the name of the Postmaster General is crossed out. Then it says "Forward to Sec. of Treasury." And there is a not flattering likeness of my dear friend Douglas Dillon, Secretary of the Treasury, in the process of having a fit as this unappetizing bundle is delivered to his door, while in the background various individuals who have placed it on his doorstep are scurrying away under the light of the moon, with a picture of the U.S. Capitol in the background.

The cartoon is entitled "Little Bundle From Congress."

Mr. RANDOLPH. The Senator from Pennsylvania no doubt recalls that earlier this afternoon I asked a question of the distinguished chairman of the Committee on Post Office and Civil Service in which I indicated the need for a clarification of responsibilities which the Treasury Department would have to assume in handling the so-called modified Cunningham amendment. Is that not true?

Mr. CLARK. The Senator is quite correct.

Mr. RANDOLPH. The Treasury Department, frankly, is in a quandary on this question. It would be impossible to handle.

Mr. CLARK. I would say to the Senator from West Virginia that we would not be going too far if we said that the Treasury Department is unhappy.

On the same editorial page on which appeared the Herblock cartoon to which I referred there was published an editorial entitled "Token Censorship."

I ask unanimous consent that this editorial, published in this morning's Washington Post and Times Herald, may be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TOKEN CENSORSHIP

The Senate Post Office and Civil Service Committee, having labored long and earnestly, has brought forth a mouselike version of the Cunningham amendment. It makes an obeisance to censorship of the mails by permitting a limited search for Communist propaganda in postal material coming from abroad and a limited delay in delivery of the mail. True, it would not have anything like the Cunningham amendment's ruinous impact on American freedom. But it remains, as Senator CLARK said of it, "an administration monstrosity which violate basic constitutional civil liberties."

The Cunningham amendment, adopted by the House when it passed the postal rate increase bill a year ago, would forbid the reception, handling, transportation or delivery in the United States of any mail "determined by the Attorney General to be Communist political propaganda." This would mean, literally, that all newspapers, books, periodicals and other printed matter from any foreign country would have to be scrutinized by the Justice Department, seized and destroyed. It would mean, in short, an abdication of freedom by the American people. And it would mean putting blinders on American students of Soviet politics and ideas.

The Senate committee proposal would soften this censorship in a number of ways. Sensibly, to begin with, it would eliminate from coverage all matter addressed to governmental agencies, libraries, and institutions of higher learning—or any individual connected with these institutions. It would also make the censorship inapplicable to matter coming into the country under a reciprocal international agreement respecting mail delivery. And, finally, it would allow delivery of publications to persons who subscribed to them and, after an irksome delay, to any other addressee willing to undergo the embarrassment of expressing a desire to receive it.

The Senate committee made one other significant change from the Cunningham amendment. It would place the burden of determining what constitutes Communist propaganda on the Secretary of the Treasury instead of on the Attorney General. Is this because the Secretary of the Treasury is more expert or simply because he has less political pull? Why not pass the buck to the Director of the Fish and Wild Life Service?

The justification for the Senate committee proposal is, of course, that some compromise with the House regarding the Communist propaganda nonsense is necessary to get the postal rate bill enacted. But this compromise, however innocuous, remains insulting to the American people and degrading to the image of America as a free society. We think the Senate would do well to reject it and stand firmly on the bedrock of democratic principle. Americans do not need the spurious protection of censorship. They have the best protection against bad ideas ever devised: education, love of country, and the free expression of sound and sensible ideas.

Mr. CLARK. Mr. President, I wish to quote briefly from the editorial, which deplores the action the Senate is being asked to affirm:

It [the Senate amendment] would place the burden of determining what constitutes Commuist propaganda on the Secretary of the Treasury instead of on the Attorney General. Is this because the Secretary of the Treasury is more expert or simply because he has less political pull? Why not pass the

buck to the Director of the Fish and Wildlife Service?

I think that is a very sensible decision, because, as I read the language, and my friends from West Virginia or Illinois will correct me if I am wrong, I am sure—the Fish and Wildlife Service is under the Department of the Interior.

Mr. RANDOLPH. The Senator is correct.

Mr. CLARK. Since this issue deals with the Department of the Interior, perhaps it would be a good thing to have Stewart Udall cope with this problem in the way he copes with fish and wildlife problems. It seems to me one could make a rather happy analogy in that regard.

I suspect that my good friend Stewart Udall would run like a jackrabbit from any suggestion that he should be called upon to enforce this administrative monstrosity, this unconstitutional determination of the Senate to create, in modified form, the first step on the road to a police state.

I turn now to the second point which is why, in my opinion—and in the opinion of at least two of my colleagues on the committee—the amendment would not be in the national interest.

I refer again to the eloquent comment made by Mr. Murrow, speaking of the Communist Iron Curtain countries as a dark room and speaking of the free world as an area where sunshine permeated to every nook and cranny at least at some time during the day. I paraphrase what he said, with what I thought was great eloquence:

> One candle in a dark room is worth 100 candles in the sunshine. One American message, one American truth, one piece of American information behind the Iron Curtain is a greater contribution to the cause of freedom than 100 pieces of communist propaganda are to the cause of communism.

Mr. DOUGLAS rose.

Mr. CLARK. I yield to my friend from Illinois.

Mr. DOUGLAS. I notice from reading the hearings before the Committee on Post Office and Civil Service that Representative Cunningham, on pages 918 and 919, stated that, while we delivered propaganda mail coming from Russia and its satellites, Russia and its satellites would not deliver propaganda mail which we or our citizens mailed into those countries. Mr. Cunningham made that statement several times, referring to Rumania and in general to communist countries, saying that what we have now is a one-sided situation in which we deliver their mail but they do not deliver ours.

I wonder if the Senator from Pennsylvania has any reliable information on that point.

Mr. CLARK. I thank my friend for his inquiry, which is a very intelligent one. I have specific information on that point. I wish to quote from a memorandum prepared by the Post Office Department and commenting on a number of errors in Representative CUNNINGHAM'S statement before our committee. The memo comments on the specific point by the Congressman referred to by the Senator, as follows:

> There is a great deal of mail dispatched from the United States to Iron Curtain countries—over 13 million pounds for the 12-month period ending March 31, 1962.
>
> I ask Senators to note this well:
>
> We feel confident that almost all of this mail is delivered. If it were not, we feel certain that we would be receiving a great many complaints, whereas in actuality, the complaints about mail sent by U.S. citizens to Iron Curtain countries are few and far between.

I refer my friend from Illinois also to the USIA testimony which appears in the RECORD at the top of page 860.

I say also to my friend from Illinois that at my request Edward R. Murrow, the Director of the USIA, and William Tyler, Assistant Secretary of State for European Affairs, the gentleman who succeded Foy Kohler, who has now become our Ambassador to Russia, appeared in executive session before our committee shortly before we voted on this proposal.

While the testimony given by Mr. Murrow and Mr. Tyler must be held inviolate as to its details, they made it very clear to members of the committee that they were very much encouraged at the amount of American information which was going into not only Soviet Russia but also into the other Iron Curtain countries. The volume of that material was increasing as the censorship of all phases of Russian life decreased, as the Senator from Illinois, who is a real student on these questions, knows it has decreased since Stalin's death. The Assistant Secretary of State Tyler spoke for Ambassador Llewellyn Thompson, who has recently returned from a 5-year tour of duty in Moscow and who unfortunately was ill in the hospital or else he would have appeared personally before our committee.

The importance of internal Western mailings in the Soviet Union cannot be overestimated, I say to my friend from Illinois. I point out that basing his statement on what he had been told by Ambassador Thompson, Mr. Tyler said that vast amounts of American information go forth from the American Embassy in Moscow to points in the U.S.S.R. and the information does get delivered.

Though I do not believe I shall bother to put it into the RECORD, I have here and shall be happy to make available to my friend from Illinois a transcript picked up in this country of a daily radio broadcast by Tass in Russian to Europe on the 23d of June, 1962, in which reference is made to an open letter written by two citizens of Russia in the Chechen Ingush Soviet Republic to the U.S. Embassy in Moscow. It points out the fact that many writers and other cultural figures in that republic have discovered with astonishment voluminous yellow packets in their mailboxes containing bulletins from the U.S. Embassy in Moscow with American propaganda material. My friend may be interested in looking at the transcript. I shall leave it on the desk in case he desires to do so.

Mr. President, I return to the burden of my text and will continue my discussion of the national interest in this question. The principal point is that action requiring screening of mails, no matter how limited, will invite far-reaching retaliation. Soviet statements made at the time the House passed the Cunningham amendment substantiate my assertion in that regard.

Contrary to the testimony of Representative CUNNINGHAM, Western mail is being delivered in significant and increasing volume in Communist areas. That was attested to by Mr. Murrow and Mr. Tyler in the testimony to which I have referred. I have already placed in the RECORD statistics which prove clearly that Communist mail in this country is not increasing. It is decreasing. The volume of U.S. mail now going to the Communist bloc, exclusive of food packages, far exceeds the volume of Communist mail coming into this country.

In that regard I cite a comment made by the Senator from Kansas [Mr. CARLSON] at page 849 of the record in response to some testimony given by Mr. Doyle, the Deputy General Counsel of the Post Office Department. The Senator from Kansas said:

> Senator CARLSON. Mr. Doyle, just to keep the record straight now, of the 13,485,399 pounds that we send—

I interpolate—to Communist countries—

> 2,204,763 pounds was mail other than parcel post; whereas, we reecived 2,192,327 pounds—

I interpolate—a lesser amount—

> which I could assume would not be parcel post largely, as it was in our case, and therefore our balance was pretty much even when it comes to 2.2 million and 2.192 million.
>
> Mr. DOYLE. The 2,192,000 that you referred to as incoming would be letter mail and printed matter, that is correct.

I point out also that all the parcel post going to Russia is not merely food. A great deal of it is heavy, bulky printed material, including books. I read into the RECORD a comment made in a Moscow broadcast in English to eastern North America on January 29, 1962, right after the Cunningham amendment was passed:

> The U.S. House of Representatives has passed a bill prohibiting the delivery of certain class mail from abroad which the Attorney General may consider Communist propaganda.

Continuing the quote, having omitted some material:

> This new breech of the situation points to the administration's lack of faith in the persuasive powers of the ideals it advocates.

Do we want to give the Communists an opportunity to beam that sort of charge around the globe again?

Mr. Murrow and Mr. Tyler made abundantly clear that in their informed and considered opinion, the passage of the proposed legislation was highly likely to result in retaliation by the Communists, so that our one candle in a dark room might well be extinguished as the price of our putting out not 100 but only 1 lighted candle in the sunshine.

I turn now to constitutional objections to the proposed legislation. I refer to pages 43 and 44 of the committee report, which contains my individual views. I quote from page 44, subsection 3, of my views:

(3) Constitutional objections: Any proposal which sets up a universal screening system for foreign mail, regardless of its exceptions, raises serious constitutional questions.

The first amendment states, "Congress shall make no law * * * abridging the freedom of speech or of the press; * * *". This basic freedom is subject to limitation only when the expression of thought presents a "clear and present danger."

This was a quotation from the well-known case of *Dennis* v. *U.S.*, 341 U.S. 494, decided in 1950:

A restriction on use of the mails may raise violations of the first amendment.

That is from *Hannegan* v. *Esquire magazine*—327 U.S. 146, decided in 1946.

Justices Brennan, Warren, and Douglas said in a concurring opinion in Manuel Enterprises against Day, decided June 25, 1962:

Administrative orders detaining objects from the mails make "questions of procedural safeguards loom large."

The Justices were referring in context to the procedural constitutional safeguards which might invalidate the administrative orders in question.

Finally I quote from a dissenting opinion of Mr. Justice Holmes, joined in by Mr. Justice Brandeis, a long time ago, in 225 U.S. 407, at page 437:

The United States may give up the post office when it sees fit, but while it carries it on, the use of the mails is almost as much a part of free speech as the right to use our tongues, and it would take very strong language to convince me that Congress ever intended to give such a practically despotic power to any one man (*Milwaukee Publishing Co.* v. *Burleson*).

In this case it would be the Treasury Department doing the censoring.

The Walter bill, which passed the House, and which was amended in certain respects in the Senate committee, and is now on the calendar, and which I shall offer tomorrow with one modification as a substitute for the Senate language, in the opinion of its author, Representative WALTER, chairman of the Un-American Activities Subcommittee of the House, goes as far as one can go constitutionally.

Mr. WALTER is certainly an expert on this subject. When Mr. WALTER, a learned member of the Pennsylvania bar, anxious as we all know he is to go as far as possible to restrain the dissemination of Communist propaganda, says his bill is as far as we can constitutionally go, I take his views quite seriously.

Many of the constitutional objections raised by the Deputy Attorney General Katzenbach to the Cunningham amendment as it passed the House, in my opinion, pertain with equal force to the Senate proposal.

While the committee proposal would permit the persons who have received notices from the post office that Communist political propaganda is being held for them to file requests for such matter to obtain it, clearly a stigma might attach to those who might attempt to exercise their rights in this regard. This would be especially the case in small communities, where such actions are almost sure to become widely known. The information might well find its way into the FBI files. I do not present myself as a learned constitutional lawyer, but I did practice law in the Philadelphia courts for 25 years, and I have some knowledge of the constitutional limitations imposed on Government action by the first 10 amendments to the Constitution of the United States. I state it as my personal opinion that the present Supreme Court would almost certainly declare this Senate amendment unconstitutional if the question were to come before it.

I have already offered for the RECORD an editorial from the New York Times and an editorial from the Washington Post. Curiously enough, there is one also from the Chicago Daily Tribune, objecting to the proposed legislation. Arthur Krock has written an article criticizing it adversely, which was put in the RECORD by the Senator from Rhode Island [Mr. PELL]. I have described the Herblock cartoon.

I ask unanimous consent to have printed in the RECORD at this point a letter which was sent to me by the American Civil Liberties Union under date of September 26, 1962, signed by the able director of a Washington office, Mr. Lawrence Speiser.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN CIVIL LIBERTIES UNION,
Washington, D.C., September 26, 1962.

DEAR SENATOR: Scheduled for floor debate today is H.R. 7927, providing postal rate increases and pay raises for Government employees. This bill contains a provision authorizing the interception and censorship of Communist political propaganda. The American Civil Liberties Union strongly objects to this provision and urges that you lend your full efforts to have it deleted from the bill.

The measure provides that all mail matter, except sealed letters, which originates in any Iron Curtain country and which is determined by the Secretary of the Treasury to be Communist political propaganda shall not be delivered unless an addressee notifies him that he desires the material.

Secondly, borrowing from the Foreign Agents Registration Act, it defines Communist political propaganda as "any * * * expression * * * reasonably adapted to * * * prevail upon, indoctrinate, convert, induce, or in any other way influence a recipient or any section of the public within the United States with reference to political or public interests, policies, or relations of a government of a foreign country or a foreign political party or with reference to the foreign policies of the United States or promote in the United States racial, religious, or social dissensions."

Thirdly, it provides exemptions for any mail addressed to any "U.S. Government agency, or any library, college, university, graduate school or scientific or professional institution or any individual connected therewith" as well as for any material which is covered by reciprocal international agreement.

The definition of Communist political propaganda was vigorously criticized before the Senate Post Office and Civil Service Committee on August 21, 1962, by Nicholas deB. Katzenbach, Deputy Attorney General. He said, "It is highly probable that all newspapers or magazines of general circulation published in Communist-bloc countries would fall within this definition. It might also cover newspapers in neutral or friendly countries which take a position on any particular question consistent with the position taken by a Communist country. It might even cover publications in which statements from Communist sources are reprinted for their news value. * * * The possibilities for arbitrary application in interpretation of this standard are obvious."

Secondly, it is clear that some sort of administrative hearing prior to the determination by the Secretary of the Treasury must be made. Thus the burdens of departmental litigation and judicial review must be added to the burdens of enforcement at the initial level. The procedures for making the necessary determinations will be quite lengthy, and as Deputy Attorney General Katzenbach said, "how such procedures can practically be employed in passing on individual mailings I confess I do not know."

Thirdly, it is going to separate Americans into those who are courageous enough to indicate they want to see Communist political propaganda and are, therefore, willing to have their names placed on an official Government list and those who are not. The fainthearted and the timid, it is clearly evident, are not going to make such a request. This bill divides Americans in a way never contemplated in a free society. As the New York Times said in its editorial of September 25, 1962, "but it declares, in effect, that there are two kinds of Americans: those who can be trusted to receive any kind of mail from the Communist world, and those who cannot. The Senate provision, like the Cunningham amendment is probably unconstitutional and certainly contrary to the most fundamental traditions of our country."

Fourthly, even though there is a broad exemption for those who work for the U.S. Government agencies or educational institutions, there are many individuals in the country who would not fall within these exemptions but who continually use materials from Iron Curtain countries. In the excellent article by Schwartz and Paul entitled "Foreign Communist Propaganda in the Mails: A Report on Some Problems of Federal Censorship" (107 U. of Pa. L. Rev. 621, 1959), they recounted the difficulties various individuals had in obtaining material from Iron Curtain countries. For example, a retired Coast Guard officer who had a unique avocation of studying various navigational problems confronting the Russian Navy, could not get the Russian magazine source material under the old program and he would not fall within the exemptions in this proposal bill.

The assumption that we need censorship to protect our people from hostile, foreign ideas reflects an extraordinary lack of faith in the most basic assumptions underlying our society. As Congressman FRANCIS WALTER said, speaking on this very problem only last year (CONGRESSIONAL RECORD, September 12, 1961, A7148):

"How does one cope with this propaganda? Does one collect and destroy such items of propaganda piece by piece? Is this presently practicable, or even desirable? * * * The antidote for the poison of Communist propaganda is knowledge and truth. I have no real fear that this absurd Communist propaganda will seduce any appreciable segment of our people, or lead them from the path of reason and loyalty—if our people are adequately informed as to its nature, origin and character. * * * If our people are informed of the nature and techniques of Communist propaganda—and this is a responsibility of the educational process and the free press—we shall not need fear that our people will become infected. Knowledge is the most effective immunization against the propaganda virus."

Although it is certainly much better than the Cunningham amendment, which was passed by the House, nevertheless, this Senate version is clearly a censorship measure

and represents a dangerous departure from our entire tradition as a free society. We urge you to support deletion of this provision.

Sincerely yours,

LAWRENCE SPEISER,
Director, Washington Office.

Mr. CLARK. The American Book Publishers Council, Inc., protested against this legislation, at page 899 of the hearings.

So did the American Library Association, at page 891.

The Association of Research Libraries protested, as shown at page 895. The objections of these library associations have, of course, in large part been taken care of in the revised Senate version.

The American Association of University Women objected. Their protest is shown at page 887 of the hearings.

The American Jewish Congress objected, as shown at page 881.

This one will be of interest to my friend the Presiding Officer [Mr. DOUGLAS[. The American Friends Service Committee objected, as shown at page 880. The American Council on Education protested, at page 875.

Mr. President, I am about to yield the floor. I have endeavored in this somewhat disjointed and too lengthy statement to express my own deep conviction, as a loyal and patriotic American citizen that we would do great damage to the body politic if we were to adopt the amendment when it comes to a vote. I believe, instead of compulsory censorship, we should rely on the commonsense and patriotism of the American people to reject Communist propaganda. I believe that the amendment is unnecessary and unduly costly and unconstitutional and damaging to our foreign policy and derogatory of the basic constitutional rights of the American people.

I yield the floor.

Mr. JOHNSTON. Mr. President, I believe Senators are ready to vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Pennsylvania [Mr. CLARK].

Mr. CLARK. Mr. President, I will speak for not more than another minute before the vote. It is significant that before this vote is taken no Member of the Senate has seen fit to controvert anything which I have said. I am ready to vote.

Mr. HRUSKA. Mr. President, I do not think that statement should go unchallenged.

Mr. JOHNSTON. I do not think that statement should go unchallenged. So far as I am concerned, I am against the amendment to strike from the bill the section into which the committee has gone very thoroughly. We thought, to save time, that we would vote, and that surely the Senate would go along with the committee on the vote. For that reason I saw no purpose in continuing the discussion.

Mr. HRUSKA. Mr. President, I am hopeful that the Senator from Pennsylvania will withdraw the last statement from the RECORD, because it was only to expedite the action of the Senate that we agreed on the procedure which has been followed. If it would help, I have a document consisting of some 15 legal size typewritten pages, which I can use to go thoroughly into this question and controvert the assertions made in the debate thus far. It is rather unusual, after we have made an effort to be agreeable, to make such a statement. I hope the Senator will withdraw it so that we will not have to go into the merits at this late hour.

Mr. CLARK. Mr. President, I made a basic statement of fact. If the Senator wishes to make a speech and keep the Senate in session longer, perhaps I would withdraw it. As of now, all I can say is I made a statement of fact.

Mr. MANSFIELD. Mr. President, reply has been made to the allegations raised by the Senator from Pennsylvania. Up to the time he made his statement, it was a fact. Since that time several Senators have stated that they opposed the amendment of the Senator from Pennsylvania.

Mr. HRUSKA. Prior to the "45 minute" speech of the Senator from Pennsylvania, which lasted nearly 3 hours, statements were made to the effect that this amendment would be the subject of extended comment, not only by the Senator from Nebraska but by other Senators, as well. I say, in light of this fact that the remark was very unfortunate.

Mr. LONG of Louisiana. Mr. President, will the Senator from Nebraska yield?

Mr. HRUSKA. I yield.

Mr. LONG of Louisiana. In my 14 years in the Senate, I must have heard this issue discussed more than 50 hours. I am prepared to vote, if the Senator will let us vote. But if he expects to make a speech, I will go to my office and sign my mail.

Mr. HRUSKA. Mr. President, I join in the thoughts expressed by the majority leader. I am ready to vote. And let the record show that I am in opposition to the amendment proposed by the Senator from Pennsylvania.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Pennsylvania.

The amendment was rejected.

Mr. CLARK. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a "Memorandum on Testimony by Congressman CUNNINGHAM Before the Senate Post Office and Civil Service Committee on Section 12 of H.R. 7927," prepared by the Post Office Department, so that Senators may have the answer of the administration to Representative CUNNINGHAM's testimony when the Senate considers my other amendments tomorrow:

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM ON TESTIMONY BY CONGRESSMAN CUNNINGHAM BEFORE THE SENATE POST OFFICE AND CIVIL SERVICE COMMITTEE ON SECTION 12 OF H.R. 7927

In his testimony of section 12 of H.R. 7927 given Thursday, August 23, 1962, before the Senate Committee on Post Office and Civil Service, Congressman CUNINGHAM made several statements which appear to be at variance with the facts.

Page 1531, Congressman CUNNINGHAM states that there is an adequate definition of Communist propaganda.

The definition to which he apparently refers is set out in the Foreign Agents Registration Act and is the definition of rather broad scope designed for use in that law which provides for the labeling of foreign political propaganda. The Administration is of the opinion that a definition which may be adequate where there is a labeling requirement is not necessarily adequate and may be too broad and general for use where there is a censorship requirement. The Supreme Court has ruled many definitions of pornography unconstitutional as being too broad in general.

Page 1532, Congressman CUNNINGHAM states that the language used by the Customs and Post Office people to define Communist propaganda is in the statute because it was used in the screening program as administered prior to March 17, 1961.

This program was discontinued because the administration felt there was no legislative basis for it and it is therefore inconsistent to say that any definition of Communist propaganda was in the statute since there was no statute for this program.

Page 1535, Congressman CUNNINGHAM states that the program of screening was carried on from 1948 until March 17, 1961.

The program was initially started during World War II and discontinued after the war. It was then reinstituted during the Korean war and terminated by President Kennedy March 17, 1961.

Page 1535, Congressman CUNNINGHAM states that 90 percent of the people said they did not order and did not want Communist propaganda addressed to them.

Figures made available to the committee by the Treasury Department show that of the printed matter coming to the United States from Communist countries, only about 5 percent was withheld as being Communist propaganda not desired by the addressee.

Page 1536, Congressman CUNNINGHAM states that since the screening program was ended March 17, 1961, 10 times as much Communist political propaganda has been delivered in this country.

Figures submitted to the committee by the Treasury Department show that the volume of printed matter from Communist countries has decreased since the termination of the screening program.

At several points during his testimony, Congressman CUNNINGHAM refers to the alleged fact that printed material from Communist countries is imported at 150 ports of entry or subports. In actuality, the printed material from the European Communist countries enters the United States only through the Port of New York. There may possibly be small amounts of printed material coming by air through other ports of entry but all surface mail comes through New York.

Page 1537, Congressman CUNNINGHAM states that 50 percent of the volume of Communist political propaganda comes from Communist organizations in the free world. There has never been an organized program of screened printed matter from non-Communist countries so it is difficult to understand where Congressman CUNNINGHAM gets his information.

Page 1537, Congressman CUNNINGHAM states that 2,555,000 pounds of mail were sent from this country to Communist countries and 2,683,000 pounds were received.

These figures are at variance with those compiled by the Post Office Department which were submitted to the committee.

Page 1537, Congressman CUNNINGHAM states that parcel post is not part of the Universal Postal Union Convention.

This is true. However, parcel post is carried pursuant to international mail handling agreements made between this country and

various other countries with which we exchange this type of mail. His amendment would prohibit the United States from entering into any international mail handling agreement under which Communist propaganda was carried. This would, of course, include the agreements on parcel post.

Whether or not parcel post is used to carry printed propaganda seems incidental since these packages constitute a virtually important means of exchange of friendship between our people and people behind the Iron Curtain. Certainly this is the best possible type of propaganda.

Page 1540, Congressman CUNNINGHAM tries to divorce propaganda from articles of clothing, medicine, etc., which might be contained in parcel post.

Again, we feel that propaganda includes all forms of communication.

Page 1540, Congressman CUNNINGHAM reports: "My amendment has nothing to do with parcel post." This statement is true only as it applies to domestic mail. His amendment would prohibit us from entering into parcel post agreements under which Communist propaganda might be carried.

Page 1541, Congressman CUNNINGHAM states that the Post Office says it's going to raise international mail rates. He also states that even with increased rates, the Post Office Department will lose approximately $4 million in the next fiscal year; even without considering increased costs in salaries, etc.

International mail rates were raised July 1, 1961, and our preliminary surveys indicate there will be a $2 million surplus on international mail.

Congressman CUNNINGHAM states that the Communists do not deliver our mail.

There is a great deal of mail dispatched from the United States to Iron Curtain countries—over 13 million pounds for the 12-month period ending March 31, 1962. We feel confident that almost all of this mail is delivered. If it were not, we feel certain that we would be receiving a great many complaints, whereas in actuality, the complaints about mail sent by U.S. citizens to Iron Curtain countries are few and far between. (See also USIA testimony, RECORD, p. 862.)

Page 1544, Congressman CUNNINGHAM states that Communist propaganda which is antichurch could amount to as many as a million pieces a month.

According to Treasury Department figures, the total amount of all printed matter from Communist countries, whether or not propaganda, amounts to less than a million pieces a month. These figures were submitted to the committee.

Page 1545, Congressman CUNNINGHAM states that Communist propaganda which is some material which is permitted to enter this country through the mails would even be mailable in the domestic mails.

Under the UPUC Convention, article 60, section 1–D, material which is nonmailable in the country of destination is not permitted in international mail. Thus, any mail which would be kept out of the domestic postal system would be kept out of the international system.

Page 1548, Congressman CUNNINGHAM states that H.R. 5751 was rushed through the House for the purpose of heading off section 12.

H.R. 5751 and related bills have been the subject of inquiry by the House Un-American Activities Committee for some time. There was an earlier version of H.R. 5751 introduced in the House of Representatives, March 21, 1961, and another version with the different bill number, H.R. 9120, introduced September 11, 1961. Also, the House Un-American Activities Committee had considered the problem of communist propaganda in the mail for several years prior to this. At the hearing Thursday, August 23, Senator MONRONEY introduced a partial list of hearings and reports published by the committee on this subject. It is certainly unfair to say that H.R. 5751 was rushed through Congress.

Page 1552, Congressman CUNNINGHAM states that no useful purpose would be served by notifying people that they might be receiving Communist propaganda in the mail.

The Foreign Agents Registration Act which has long been the domestic statute aiming at Communist propaganda is a labeling statute. It does not prohibit the dissemination of Communist propaganda but rather requires that it be labeled and that the people sending it be registered with the Justice Department. H.R. 5751, as it passed the House, is directed at the same purpose—namely, notifying recipients, or possible recipients, that they are receiving or may receive, Communist propaganda.

Although H.R. 5751 is not as specific in its requirements as the Foreign Agents Registration Act, the administration feels, and the House Un-American Activities Committee apparently agrees, that this is the best type of legislation which could be administered in a practical fashion.

Page 1553, Congressman CUNNINGHAM states that section 12 raises no problems for people who have a need to receive Communist propaganda.

The administration agrees. Sending propaganda from foreign countries to this country by freight and then having it reshipped as parcel post seems clearly impractical. This would be a much slower process, a much more cumbersome process, and, of course, as the committee knows, each parcel post package must weigh a minimum of one pound.

Page 1555, Congressman CUNNINGHAM states that section 12 would not require any more screeners.

Section 12 would require the Government to do something it has never done before—censor all domestic mail to determine whether or not it contains Communist political propaganda. To say that this operation could be done with no more screening than we already have is obviously preposterous.

Page 1560, Congressman CUNNINGHAM states that there are 150 ports of entry.

As previously stated, this is inaccurate.

Page 1561, Congressman CUNNINGHAM states that only 10 percent of the people who are asked if they wanted to receive propaganda replied in the affirmative.

As previously noted, only 5 percent of all printed matter coming from Communist countries was withheld under the old program.

Page 1562, Congressman CUNNINGHAM states that there is no need for sending letters to people as contemplated by the Walter bill notifying them that they may be receiving Communist propaganda in the mail. He states that the recipients of this propaganda don't need to be told that it is propaganda.

If this is true, then the administration fails to see what Congressman CUNNINGHAM is worring about. Since people will recognize Communist propaganda for what it is, there seems little point in going to the expense of administering such sweeping legislation as section 12.

Mr. FONG. Mr. President, as a member of the Senate Post Office and Civil Service Committee, I join with the distinguished senior Senator from South Carolina and my other distinguished colleagues who have preceded me in recommending passage of H.R. 7927, as reported by that committee.

The Senate Post Office and Civil Service Committee has held many hearings on this bill. I sincerely believe that we have had as fine a cross section of witnesses testify on this measure as was possible. The witnesses who appeared before the committee came from all parts of the country, including my State of Hawaii. Mr. James Akamine, a Hawaii business executive, traveled over 5,000 miles to voice the views of the many business establishments in Hawaii which use the U.S. postal services.

After many long hearings, the committee held many long executive committee meetings to write a bill which would be agreeable to all the members of the committee. Fortunately we were able to report this bill with all members agreeing that it is the best bill that we can all agree upon. Knowing how complex and intricate postal rates and Government workers' salaries are, I hope that the Members of this Senate will not try to amend the rates and salaries provisions of the bill. If we do, we stand the possibility of upsetting the whole rate and postal structure and may lose the bill. I therefore request Senators not to amend these provisions of the bill.

The existing annual operating deficit of our postal service is approximately $800 million. The committee bill would raise approximately $603 million in new revenue toward this deficit. The need to decrease the annual postal operating deficit was counterbalanced by the ruinous effect drastic postal rate increases might have on businesses throughout our country. Some of the House provisions, if enacted into law, would be fatal to many businesses which depend on the U.S. postal service to disseminate the bulk of their business information. In such an event the purpose of raising additional revenues by increasing postal rates would be undermined rather than served. Therefore, the Senate Post Office and Civil Service Committee chose to lower some of the rate increases contained in the House-passed version of H.R. 7927. To me this is a fairer postal rate bill than that sent to us by the House. This is a bill which all users of the mails can live with.

The committee also recommends that a detailed study of our postal system be made before any future increases in postal rates be considered by Congress. This is in recognition of the many inequities presently in our postal system which need to be corrected before the American public is again subjected to increased postal rates. The postal system is a complex system and much study must also be made to improve its efficiency.

The Federal salary increase provisions in the committee recommended version of H.R. 7927 are designed to make Government service more attractive to present and prospective Federal employees. The principle of comparability was used by the committee as the basis for its recommended increases. Before the Federal Government can compete with private industry for competent employees, it must be given adequate bargaining tools. Many of our Government employees have left public service because of higher salary offers. This salary increase will make the Federal salary scale comparable, in most respects, with that of private industry.

I regret that in grades PFS 7 and above, the step increases after step 4 were not continued on an annual basis. I hope this will be subsequently corrected.

Part III of H.R. 7927 concerns Federal retirement benefits. The annuitants and survivors who benefit by present retirement laws find it difficult to support themselves on their annuities with the increasing cost of living. The retirement provisions in the bill before the Senate, among other things, would correct this situation by providing a 5 percent increase, beginning January 1, 1963, in all annuities then payable from the Federal civil service retirement fund. It also calls for future adjustments if the monthly Consumer Price Index of the Bureau of Labor Statistics increases over 3 percent.

Mr. President, the committee held long and sober deliberations on the bill presently before the Senate. The matters considered were very complex. I was very pleased with the care, thoroughness, and diligence the chairman and the members of the committee displayed in considering this bill. I like to commend the chairman of the committee and all my colleagues of the committee on both sides of the isle for working so harmoniously in arriving as their conclusions and in their unanimous recommendations than this bill be passed. A sincere word of appreciation must also be expressed to the committee staff and especially to Mr. Don Herlin, for its tireless efforts in assisting the committee members in reaching final decisions on the many complex points contained in H.R. 7927.

Mr. President, I voted for the bill when the final rollcall was taken in committee to report this bill to the Senate. Although I was not in complete agreement with my committee colleagues in a few provisions presently in the bill, I feel this is, on the whole, an excellent piece of legislation and will accomplish the purposes intended. I am hopeful that Senators will likewise vote their approval.

Mr. CLARK. Mr. President, merely for procedural purposes, so that the Senate will be in a position to move forward tomorrow I call up my amendment designated "9–25–62–F." I ask unanimous consent that it not be read but that it be printed at this point in the RECORD.

The PRESIDING OFFICER. Without objection, the amendment will be printed in the RECORD, and will be made the pending business.

The amendment is as follows:

Strike out line 9 on page 30 and all through line 5 on page 32, and insert in lieu thereof the following:

"COMMUNIST POLITICAL PROPAGANDA AND OBSCENE MATTER

"SEC. 305. The Subversive Activities Control Act of 1950 is amended by inserting immediately after section 10 thereof the following new section:

" 'NOTICE WITH RESPECT TO COMMUNIST PROPAGANDA AND OBSCENE MATTER DISTRIBUTED BY MAIL AND DETENTION THEREOF

" 'SEC. 10A. In order to alert the recipients of mail and the general public to the fact that large quantities of Communist propaganda and of obscene, lewd, lascivious, and indecent matter are being introduced into this country from abroad and disseminated in the United States by means of the United States mails, the Postmaster General shall publicize such fact (1) by appropriate notices posted in post offices, and (2) by notifying recipients of mail, whenever he deems it appropriate in order to carry out the purposes of this section, that the United States mails may contain such propaganda or such obscene, lewd, lascivious, or indecent matter. Any person may file a written request with his local post office to detain such propaganda or such obscene, lewd, lascivious, or indecent matter addressed to him, and the Postmaster General shall detain and dispose of such propaganda and such matter for such period as the request is in effect. The Postmaster General shall permit the return of mail containing such propaganda or such obscene, lewd, lascivious, or indecent matter, to local post offices, without cost to the recipient thereof. Nothing in this section shall be deemed to authorize the Postmaster General to open, inspect, or censor any mail except on specific request by the addressee thereof. The Postmaster General is authorized to prescribe such regulations as he may deem appropriate to carry out the purposes of this section'."

Mr. MANSFIELD. Mr. President, on behalf of the distinguished senior Senator from Oklahoma [Mr. KERR], I ask unanimous consent to have printed at this point in the RECORD a statement prepared by him relating to H.R. 7927.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KERR ON H.R. 7927

I note that this measure, H.R. 7927, made no changes in the number of excepted positions for the National Aeronautics and Space Administration. The space program and the Nation faces its greatest scientific and technological effort, and NASA is this coming year doubling its effort in this regard.

I am happy to see that the Committee on Post Office and Civil Service raised from $19,000 to $20,000 the current ceiling for NASA's 395 excepted positions. However, the 30 positions currently authorized to be paid up to $21,000 were unaffected. I assume that these latter positions fall in category of positions which the committee points out in its report will be considered "in conjunction with a reform of top level executive salaries which were not included in the proposals submitted by the President and a consideration of the executive pay problem in its full dimensions at one time rather than by treating one part now and the rest later."

It was the intent of the administration proposal that in addition to its excepted positions the needs of NASA above GS–15 would be met under the authority of the Civil Service Commission to allocate positions to GS–16, GS–17, and GS–18. Since this is a different measure, I nevertheless understand that this is still true and that these NASA needs will be met by the Civil Service Commission from the authority it obtains in this bill in section 606(a), which provides for the allocation, without limitation, of professional engineering positions primarily concerned with research and development.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the joint resolution (S.J. Res. 230) expressing the determination of the United States with respect to the situation in Cuba.

The message also announced that the House had insisted upon its amendment to the bill (S. 2356) to amend the act known as the Life Insurance Act of the District of Columbia, approved June 19, 1934, and the act known as the Fire and Casualty Act of the District of Columbia, approved October 3, 1940; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ABERNETHY, Mr. DOWDY, and Mr. MATHIAS were appointed managers on the part of the House at the conference.

CHICAGO & NORTH WESTERN RAILWAY STRIKE

Mr. HRUSKA. Mr. President, today is the 28th day of the strike of the Chicago & North Western Railway, Farmers and merchants in the nine-State area in the Midwest served by this railroad are now without the principal means of transportation.

The Order of Railway Telegraphers called this strike to secure a rule that "no position in existence on December 3, 1957 will be abolished or discontinued except by agreement between the carrier and the organization."

Pursuant to section 10 of the Railway Labor Act, the President appointed an Emergency Board composed of three impartial members to investigate the facts of the dispute. This Board made its report on June 14, 1962. It recommended that first, the demand for the job freeze should be withdrawn; and second, the parties should negotiate a comprehensive program for employees adversely affected by the permanent elimination of positions regardless of the reasons for such elimination.

The railroad accepted the Board's recommendations. The Telegraphers did not.

A similar "job freeze" rule was more recently served by the Order of Railroad Telegraphers on the New York Central Railway System. As in the case of the Chicago & North Western Railway, this too resulted in the appointment of an Emergency Board by the President to investigate the facts. This Board, which was totally separate, distinct, and independent of the Board in the North Western case, also recommended to the Telegraphers that they, as in the North Western situation, withdraw their job freeze request. In other words, in both instances the impartial fact finders, appointed by the President, opposed the adoption of the rule.

All the Senators from the nine Midwestern States affected have received many letters, telegrams, and telephone calls urgently pointing out the severe economic hardship which this strike has brought. Each day this situation becomes more acute.

Even before the strike started, there were extensive efforts to negotiate settlement. Since August 30, when the

strike began, there have been negotiations to bring it to a halt but they have been without success.

On September 17, the President suggested that both parties submit the issues to an arbitration panel. Pursuant to the President's suggestion, the parties met in Washington and have since had daily sessions with the Secretary of Labor and the National Mediation Board in an effort to frame the issues to be submitted to arbitration. However, these efforts have so far failed and the strike goes on.

This prompts the Senator from Nebraska to ask, What is preventing a settlement? Where is the snag?

I urge the President to put the facts before the American people. The citizens in the Midwest especially have a right to know why the tieup continues.

In his September 13 press conference, the President was not reluctant to point out who he felt was responsible for the stalemate in the aerospace dispute. He has shown no such inclination in the Chicago & North Western strike. Why? Where do the situations differs? These differences should be pointed out to the people. If the situations are not different, it can only mean that the President applies a double standard, depending upon reasons known only to himself.

If there is no double standard, then the people should be told why he has failed to impress upon both parties in the railway strike the merits of the impartial findings of the Emergency Board. The Emergency Board was established pursuant to law to preserve and represent the public interest. If, in this case, their findings do not represent the public interest, then that fact should be known by all. If, on the other hand, the Board's findings are fair to all concerned, then we should know who refuses to accept them and their reasons for doing so. The public has been kept in the dark too long. President Kennedy should tell the people where he stands on this issue.

Mr. President, announcements have been made daily to the effect that the settlement of the strike is imminent; yet nothing has happened and the strike goes on. All of us hope that a settlement will be made quickly, but only time will tell.

Yesterday the Senate confirmed the nomination of Arthur Goldberg as an Associate Justice of the Supreme Court of the United States. A review of his record, not to mention the splendid editorial comments and news articles about his nomination, show that, among other things, it was he who pressed with great vigor for the settlement of labor disputes which arose during his tenure as Secretary of Labor. He was commended for his ability, as well he should be. All kinds of labor disputes and threatened strikes fell by the wayside under the magic spell of this distinguished Secretary of Labor.

I should say not quite all of them, because certainly in the case of the Chicago & North Western Railway the strike drags on. It appears that the vigor with which settlements of other labor disputes were pressed is not up to par.

In all fairness, of course, it should be said that the strike started on August 30, and the good news from the White House about Mr. Goldberg's appointment to the Supreme Court came on the following day. I am certain there was no causal relationship between the two events. Just the same, the policy of the Department of Labor over the last year and a half is well settled and well known.

Now, for some strange reason, that general pattern has been departed from. The Chicago & North Western strike has been in progress for a long time. There has not been a sense of urgency with respect to its settlement. The result is that in nine States there has been a serious dislocation of economic activity and a substantial degree of paralysis has occurred. In that area the construction of Minute Man silos—so critical to our defense—is halted.

For commuters, particularly in the Chicago area, disruption of rail service has produced havoc and great congestion on the highways.

In industry, shipments of heavy equipment and other supplies have been delayed. Especially is the strike being felt in agriculture, as we have witnessed devastating results. Substantial irreparable losses will be suffered if the sugarbeet crop is not moved. If rail transportation is not furnished by the end of this week, the financial damage to the sugarbeet growers will be disastrous.

It is already severe. In many labor disputes the benefits and the changes flowing from any settlement can be made retroactive; but in this case certainly that cannot be done, because once the sugarbeet crop has spoiled, there is no way to recover it. Farming is hazardous enough. There is a sufficiently thin margin of profit, at best, so that the farmers should not be compelled to suffer this additional loss.

Yet the settlement seems to be further away than ever; notwithstanding this, the President has not sent to Congress a message asking for legislation. There has been no utterance by the President, "Do this, or else," as was given in similar situations, notably last week in the aerospace industry. Furthermore, the special circumstance existing in this case is that the commission making the recommendation was appointed pursuant to the Railway Labor Act. It was not a voluntary commission, as in the case of the other instances in which there has been a Presidential decree to "Do this, or else," but one provided for by existing statute.

Mr. President, there are alternatives. The President could have marshaled public opinion much more strongly than he has done. Mild, neutral statements hardly suffice. He could have demanded of the parties, "Do this, or else," as has been done in other situations. He could have asked Congress to pass legislation to enable him to take action similar to that which can be taken under the Taft-Hartley Act in like situations. However, nothing whatsoever along these lines has been done.

The result is that the farmers in the western part of Nebraska, who are anxious and ready to ship their sugarbeets to Belle Fourche, are at their wits end to know what to do. At present they cannot ship by railroad or by any other means. To make matters worse, there has been an early frost which destroyed their bean crop and imperiled their corn crop, which now will have to be converted into silage, rather than used in the customary way; and the main crop—sugarbeets—on which they are so heavily dependent in order to make a living, is now rotting and spoiling before their eyes.

In this situation, much more action should be forthcoming from the Chief Executive. Our farmers are entitled to it.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD two editorials bearing on the subject I have discussed.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Des Moines Tribune, Sept. 17, 1962]

ANTIBUSINESS BIAS?

The strikebound Chicago & North Western Railway accuses President Kennedy of antibusiness bias because of a different tone in his comments about two similar labor-management disputes. The President's remarks do need clarification if the charge is to be refuted.

A Presidential factfinding board recommended that the aerospace industry accept the union shop, a victory for the labor unions. The industry has refused, and a strike is threatened.

Kennedy said of the union shop recommendation: "I would hope the companies would accept it because if (they don't and) a strike comes, the responsibility would be very clear."

Another Presidential board found that the Railroad Telegraphers should drop their key demand, a veto over job eliminations, a clear victory for the railroad. The union refused, and went out on strike.

Talking at the same news conference about the railroad strike Kennedy said: "The public welfare suggests that these two important groups come to a conclusion. I am hopeful that both sides will make sufficient concessions to permit an agreement."

The President is right that the vital aerospace industry should accept the findings of an impartial board. He ought to make it equally clear that the railroad union should accept the findings in its case. He did not ask the aerospace unions to yield part way to the industry's feelings; it doesn't seem reasonable that he ask the railroad company to yield part way to the union's feelings.

[From the Cleveland Plain Dealer, Sept. 28, 1962]

KENNEDY SHOWS FAVORITISM

Question. When should the recommendations made by a Presidential board in a labor dispute be accepted?

Answer. If the union favors the recommendations, the company should accept them. If the company favors the recommendations, both sides should make sufficient concessions to reach an agreement.

If you think the above answer sounds like favoritism to the unions, well, it is. It is the answer President Kennedy gave last week to questions involving two labor disputes.

One case involved four aerospace manufacturers who were engaged in a dispute with the United Automobile Workers and the International Association of Machinists. A special Presidential board recommended a settlement which included imposition of

Calendar No. 2086

87TH CONGRESS
2D SESSION

H. R. 7927

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 26, 1962

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. CARROLL to the bill (H.R. 7927) to adjust postal rates, and for other purposes, viz:

On page 13, beginning with line 9, strike out the remainder of the page and insert in lieu thereof the following:

"(2) The rates of postage on classroom publications mailed in accordance with subsection (a) are as follows:

"[In cents]

"Rate per pound:	
Advertising portion:	
Zones 1 and 2	1.5
Zone 3	2.0
Zone 4	3.0
Zone 5	4.0
Zone 6	5.0
Zone 7	6.0
Zone 8	7.0
Nonadvertising portion	1.5
Minimum charge per piece	.125

"(3) The rates of postage on publications of qualified nonprofit organizations mailed in accordance with subsection (a) are as follows:

"[In cents]

"Rate per pound	1.5
Minimum charge per piece	.125"

Calendar No. 2086

87TH CONGRESS
2D SESSION

H. R. 7927

AMENDMENT

Intended to be proposed by Mr. CARROLL to the bill (H.R. 7927) to adjust postal rates, and for other purposes.

SEPTEMBER 26, 1962

Ordered to lie on the table and to be printed

Calendar No. 2086

87TH CONGRESS
2D SESSION

H. R. 7927

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 26, 1962

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. CARROLL to the bill (H.R. 7927) to adjust postal rates, and for other purposes, viz:

On page 16, strike out lines 9 through 12 and insert in lieu thereof the following:

"(c) (1) Subject to the minimum charge per piece provided in paragraph (2) of this subsection, the postage rates on third-class mail mailed by qualified nonprofit organizations are as follows:

"Type of mailing	Rate	Unit
	Cents	
(1) Individual piece	3	First two ounces or fraction thereof.
	1½	Each additional ounce or fraction thereof.
(2) Bulk mailings under subsection (e), of this section of—		
(A) Books and catalogs of twenty four pages or more, seeds, cuttings, bulbs, roots, scions, and plants.	6	Each pound or fraction thereof.
(B) Other matter	9	Do.

"(2) Matter mailed in bulk under subsection (e) of this section by qualified nonprofit organizations shall be subject to a minimum charge per piece of $1\frac{1}{4}$ cents."

Calendar No. 2086

87TH CONGRESS
2D SESSION

H. R. 7927

AMENDMENT

Intended to be proposed by Mr. CARROLL to the bill (H.R. 7927) to adjust postal rates, and for other purposes.

SEPTEMBER 26, 1962

Ordered to lie on the table and to be printed

Calendar No. 2086

87TH CONGRESS
2D SESSION

H. R. 7927

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 26, 1962

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. MCNAMARA to the bill (H.R. 7927) to adjust postal rates, and for other purposes, viz:

On page 16, strike out lines 3 through 8 and insert in lieu thereof the following:

"(b) Matter mailed in bulk under subsection (e) of this section is subject to a minimum charge for each piece of $2\frac{3}{4}$ cents when mailed subsequent to January 6, 1963, and prior to January 1, 1964, 3 cents when mailed on and after January 1, 1964."

9-26-62——C

Calendar No. 2086

87TH CONGRESS
2D SESSION

H. R. 7927

AMENDMENT

Intended to be proposed by Mr. McNAMARA to the bill (H.R. 7927) to adjust postal rates, and for other purposes.

SEPTEMBER 26, 1962

Ordered to lie on the table and to be printed

Calendar No. 2086

87TH CONGRESS
2D SESSION

H. R. 7927

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 26, 1962

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. MORSE to the bill (H.R. 7927) to adjust postal rates, and for other purposes, viz:

On page 11, beginning with line 1, strike out all through line 9 on page 32.

On page 32, line 10, strike out "PART II" and insert "PART I".

On page 101, line 8, strike out "PART III" and insert "PART II".

Amend the title so as to read: "An Act to adjust the salaries of Federal employees, and for other purposes."

9-26-62——D

Calendar No. 2086

87TH CONGRESS
2D SESSION

H. R. 7927

AMENDMENTS

Intended to be proposed by Mr. MORSE to the bill (H.R. 7927) to adjust postal rates, and for other purposes.

SEPTEMBER 26, 1962

Ordered to lie on the table and to be printed

Calendar No. 2086

87TH CONGRESS
2D SESSION

H. R. 7927

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 26, 1962

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. MORSE to the bill (H.R. 7927) to adjust postal rates, and for other purposes, viz:

On page 11, strike out lines 3 to 8, inclusive, and renumber succeeding section numbers accordingly.

On page 11, beginning with line 12, strike out all through line 15.

On page 11, line 16, strike out "(3)" and insert "(1)".

On page 11, line 4, strike out "(4)" and insert "(2)".

9-26-62——E

Calendar No. 2086

87TH CONGRESS
2D SESSION

H. R. 7927

AMENDMENTS

Intended to be proposed by Mr. MORSE to the bill (H.R. 7927) to adjust postal rates, and for other purposes.

SEPTEMBER 26, 1962

Ordered to lie on the table and to be printed

Calendar No. 2086

87TH CONGRESS
2D SESSION

H. R. 7927

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 26, 1962

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. LAUSCHE to the bill (H.R. 7927) to adjust postal rates, and for other purposes, viz:

On page 96, beginning with line 9, strike out all through line 17 on page 99.

Renumber sections 1006, 1007, and 1008 as 1005, 1006, and 1007, respectively.

9-26-62——F

Calendar No. 2086

87TH CONGRESS
2D SESSION

H. R. 7927

AMENDMENTS

Intended to be proposed by Mr. LAUSCHE to the bill (H.R. 7927) to adjust postal rates, and for other purposes.

SEPTEMBER 26, 1962

Ordered to lie on the table and to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued Sept. 28, 1962
For actions of Sept. 27, 1962
87th-2d, No. 175

CONTENTS

Appropriations.....11,12
ASC committees.....2,19
Assistant Secretary.....13
Drugs.....1
Farm program.....3,9,18,25
Foreign aid.....11,20
Foreign trade.....16,21,22
Grapes.....21
Legislative record.....9
Lumber.....22
Mining.....6
Oceanography.....4
Patents.....14
Pay increase.....10
Personnel.....10
Political activity.....10
Postal rates.....10
Public works.....17
Tariffs.....22
Transportation.....5,15
Water resources.....17,24
Wheat acreage.....23
Wildlife.....7
Wine.....8,21

HIGHLIGHTS: Senate passed pay bill. Senate committee voted to report foreign aid appropriation bill. Sen. Pell urged creation of common market for Latin America. Rep. Dole criticized Secretary Freeman as "political hatchetman." Rep. Rains commended ASC committeemen.

HOUSE

1. DRUGS. Passed with amendment S. 1552, the proposed Drug Industry Act of 1962. A similar bill, H. R. 11581, was laid on the table. Conferees were appointed. Senate conferees have not yet been appointed. pp. 19884-6, 19887-938, 19956, 19962

2. ASC COMMITTEES. Rep. Rains commended the ASC committeemen saying, "We owe our farmer-elected ASCS committeemen a great debt of gratitude for giving freely of their time to help their fellow farmer and the Nation as a whole in trying to make our farm programs work as efficiently and as effectively as possible." p. 19976

3. FARM PROGRAM. Rep. Dole criticized Secretary Freeman saying, "Freeman has become a political hatchetman for the Kennedy administration." pp. 19970-1

4. OCEANOGRAPHY. Received the conference report on S. 901, the proposed Oceanographic Act of 1962 (H. Rept. 2493). pp. 19941-2, 19982

5. TRANSPORTATION. The Merchant Marine and Fisheries Committee reported with amendment H. R. 12968, to amend Sec. 901(b) of the Merchant Marine Act, 1936, to eliminate certain time limitations (H. Rept. 2494). pp. 19982-3

6. MINING. Rep. Aspinall inserted the address of Assistant Secretary of the Interior Carver before the annual convention of the American Mining Congress. pp. 19972-6

7. WILDLIFE. The Merchant Marine and Fisheries Committee voted to report (but did not actually report) H. R. 13176, to increase the participation by counties in revenue from the national wildlife refuge system, and with amendment H. R. 9547, to facilitate the application and operation of the Fish and Wildlife Act of 1956. p. D902

8. WINE INDUSTRY. Rep. Clem Miller inserted a descriptive article, "The Vineyards of California." pp. 19978-81

9. LEGISLATIVE RECORD. Rep. Hoffman, Ill., discussed the legislative record of the 2nd session of the 87th Congress and criticized the farm bill. pp. 19966-9

SENATE

10. PERSONNEL. By a vote of 72 to 3, passed with amendments H. R. 7927, the Federal pay and postal rate increase bill (pp. 19814-53). See Digest 174 for a summary of items of interest. Agreed to amendments by Sen. Johnston which he stated were to correct several errors in spelling, punctuation, and figures (p.19838). Rejected, by a vote of 6 to 72, an amendment by Sen. Morse to eliminate Part I of the bill relating to postal rates (pp. 19830-2). Rejected an amendment by Sen. Lausche to strike out provisions to authorize a discretionary pay raise for employees of the legislative branch (pp. 19833-4). Rejected, by a vote of 21 to 59, an amendment by Sen. Lausche to declare it as a principle that Federal salary rates shall be comparable with salary rates for the same level of work paid on the average by private enterprise and by State, county, and municipal governments (pp. 19838-40). Rejected an amendment by Sen. Smith, Me., to reduce the ceiling of salaries for the higher grades under the Classification Act so that they would be comparable to salaries "for legislative department employee (pp. 19842-4).

Concurred in the House amendments to S. 919, to amend the Hatch Political Activities Act so as to provide for the imposition of a penalty of not less than 30 days, instead of the present 90 days, suspension for violation of certain restrictions on participation in election activities. This bill will now be sent to the President. p. 19856

11. FOREIGN AID APPROPRIATION BILL, 1963. The Appropriations Committee voted to report (but did not actually report) with amendments this bill, H. R. 13175. p. D901

12. D. C. APPROPRIATION BILL, 1963. The Appropriations Committee reported with amendments this bill, H. R. 12276 (S. Rept. 2170). p. 19804

13. ASSISTANT SECRETARY. Received from this Department a proposed bill "to establish an additional office of Assistant Secretary of Agriculture"; to Agriculture and Forestry Committee. p. 19804

14. PATENTS. The Judiciary Committee reported with amendment S. 2225, to fix the fees payable to the Patent Office (S. Rept. 2167). pp. 19804-5

shchev." Result: Mrs. Olin's immediate release.

The outcome of these two cases brought similar appeals for help. Through early 1959, MacDuffie compiled dossiers on new clients and submitted them to Ambassador Menshikov. MacDuffie continued to get newspaper publicity on the backlog of cases, and even persuaded the State Department to make official inquiries.

In June, before nine Governors were to leave for Russia, MacDuffie briefed them on the still unresolved cases. They agreed to take the matter up with various Soviet officials.

To add still more pressure, MacDuffie contacted Vice President Nixon and Dr. Milton Eisenhower, who were to visit Russia in July. "The more we can hammer home," MacDuffie wrote them, "their [the Soviets"] reluctance to permit old parents, young children, and wives of Americans to leave their country, the more we may shame them into action. They will respond not out of kindness but because of embarrassment and because it will be practical, and when they seek to appear friendly and conciliatory."

Agreeing, Nixon and the President's brother both raised the topic for discussion in Moscow.

The strongest push yet came during Khrushchev's tour of the United States in the fall of 1959. When the Russian Premier accepted an invitation from Roswell Garst to visit his enormous corn farm in Coon Rapids, Iowa, the stage was set. Garst, a friend of MacDuffie's, invited the New York attorney and Adlai Stevenson to be house guests during Khrushchev's stay.

"Mr. Garst," MacDuffie later wrote one of his clients, "while riding around the countryside with Mr. Khrushchev, first took up the subject of what we called the compassion cases * * *. Later at luncheon Mr. Garst arranged for Mr. Stevenson and me to have a private talk on many political matters with Mr. Khrushchev. At the end of our conversation both Mr. Stevenson and I pressed him heavily about these cases. We concluded by saying that the cases were few in number and meant a great deal to individuals and would promote good will between our countries. Khrushchev finally nodded in agreement and told us to give our list of cases to Mr. Gromyko, the Foreign Minister, for action."

In October, the State Department compiled a list of 200 names—30 of them were MacDuffie's clients—to be sent to Gromyko. Thanks to MacDuffie's dedicated efforts, the logjam was broken: The slow trickle of immigrants from Russia had become a steady flow.

Figures compiled by the B'nai B'rith's Coordinating Board of Jewish Organizations tell the story. From 1953 to 1959, the Soviets issued 55 of its citizens passports to join American spouses. "Progress since the fall of 1959," says the B'nai B'rith report, "has been notable. In March 1960, Western diplomats in Moscow were quoted by the Associated Press as saying that the U.S.S.R. has quietly allowed about 1,000 of its citizens to emigrate during the previous 6 months in order to rejoin families abroad."

Not even the breakup of the 1960 summit conference in Paris, nor the continuing tensions of the Berlin crisis, have stoped the stream of Russian immigrants from entering this country in an attempt to patch up lives shattered by the war so many years ago.

MacDuffie alone has obtained the release of 15 clients in the past 2 years. Every time one of his people gets out, he conscientiously acknowledges it to Russian officials. But he still feels that the Soviets are playing a cat-and-mouse game with these pathetic people and he bitterly resents it.

As he puts it, "I'm gratified, but not satisfied with what's been accomplished so far."

You can tell he means it by the doggedly determined expression in his eyes every time he looks over at his file of incompleted cases. Some of his clients may never know the joy of family reunion, the joy of people like the Nowozeniuks, the Gavcuses, and the Olins. But Marshall MacDuffie will continue his crusade. For, undoubtedly, he is today's most ardent defender of what he himself has dubbed the fifth freedom: freedom to leave.

STEPS TO BRING SOVIET RELATIVES TO THE UNITED STATES

If you have relatives in the Soviet Union and want to try to bring them to this country, Marshall MacDuffie recommends the following procedure:

"1. Write to the relative to make sure he or she wishes to come to the United States and is willing to file a request for an exit visa with the Soviet authorities. Some relatives still are afraid to do this.

"2. Send a letter of invitation to the relative. This should be written in English and Russian and should give the relationship between the U.S. sponsor and the Soviet relative. It also must state that the sponsor is willing and able to support the relative. The invitation should be notarized; the clerk of the court of the county where the notary public is commissioned should certify the notarial authority. The secretary of state of the state in which the document is executed should certify to the official status of the clerk of the court.

3. The relative must submit the letter of invitation and a formal application of an exit visa to the Section of Visas and Registration of the local Soviet militia (OVIR). The major cities in each of the Republics have such offices.

"4. The U.S. relative should communicate with the nearest office of the Immigration and Naturalization Service, Department of Justice, to obtain necessary forms and instruction for submission of a request for admission of the Soviet relative as a nonquota immigrant (children or spouses) or as a preference quota immigrant.

"5. If the exit vist is granted, the Soviet authorities will notify the American consul in Moscow. After checking with the United States that the documents are in order (see 4 above), the consul summons the Soviet relative to Moscow for his U.S. entry permit.

"6. The Soviet relative will need funds for travel to Moscow and the cost of a short residence in Moscow. Also funds for travel to the United States will be necessary. If desired, the U.S. sponsor may pay for the air travel in the United States and have the ticket available in Moscow. Then, reunion."

STRIKES AT DEFENSE INSTALLATIONS

Mr. McGEE. Mr. President, for some time now we have been hearing complaints that members of America's labor unions think so little of our Nation's security that they do not hesitate to strike even though such action slows construction of missile and other defense installations.

I am confident that these attacks, like so many others upon organized labor, often are based on oversimplification, incomplete knowledge of the facts and prejudice against labor.

As an example of the job American organized labor can do for our defense effort I would like to cite the Atlas missile wing completed last year at Francis E. Warren Air Base at Cheyenne, Wyo. The construction on this wing was not completed on time, it was completed a month ahead of schedule with the resulting saving of more than $1 million.

After the job was finished the contractor ran an advertisement in a local newspaper to thank his employees and the townspeople for the cooperation in helping meet the construction schedule.

Part of this ad said, "This important defense project was troubled very little by labor disputes. We are happy to report that almost every building tradesman with whom we worked conscientiously endeavored to deliver 'a day's work for a day's pay.' "

Mr. President, I ask unanimous consent that this advertisement and a newspaper article from the Wyoming Eagle, describing completion ceremonies, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WAB NATION'S FIRST ALL-MISSILE WING

(By George Johnston)

Missile age history was made yesterday when Warren Air Force Base became the Nation's first operational Air Force all-missile wing.

The turnover to the Strategic Air Command of nine missile operationally configured Atlas "E" intercontinental ballistic missile sites marked completion of the first missile wing.

Warren's 389th Strategic Missile Wing consists of 3 squadrons composed of 24 Atlas ICBM's. The missiles are located in Colorado, and Nebraska, as well as Wyoming, and all are within a 50-mile radius of Cheyenne.

Warren Air Force Base thus becomes the first Air Force facility devoted exclusively to the missile age.

Turnover of the third and final Warren missile squadron was made yesterday at a ceremony at Missile Complex 11, 32 miles south of Cheyenne, near Nunn, Colo.

Col. William E. Todd, site activation task force commander for the Air Force Ballistic Systems Division, made the symbolic key presentation to Brig. Gen. William S. Rader, commander of the 13th Air Division.

In his remarks, Colonel Todd stated that "today's ceremony completes site construction, installation, and checkout more than a month ahead of the schedule set down back in 1957."

"The Warren completion ahead of schedule was also done at a saving to the taxpayers of more than $1 million," he added.

The first two Warren squadrons are Atlas D's. The third squadron is the more advanced Atlas E.

Key to the newest missile complex was passed on by General Rader to Col. James W. Yeater, who will be commanding officer of the 566th Strategic Missile Squadron.

Also taking part in yesterday's ceremony in the shadow of a giant Atlas ICBM raised to firing position were L. I. Medlock, Warren operations manager for General Dynamics, maker of the Atlas, and Maj. Gen. Don R. Ostrander, vice commander of the Ballistic Systems Division.

A small group of Cheyenne civic leaders, Air Force and contractor officials, and the press attended the ceremony.

The new Warren Atlas E facilities store the giant missile on its side under a sliding roof until time for launching. The roof can be rolled back, the missile rapidly erected to launch position and pumped full of liquid oxygen and fuel in a matter of minutes.

It took approximately 3,850 persons 30 months to construct each launch pad and to install and check out its equipment.

In addition to the problems involved in excavation and building the subterranean concrete and steel complex, approximately

7,500 mechanical parts, 1,100 hydraulic parts, 1,875 pneumatic parts, 650 miles of electrical wire connected to 27,000 terminals, and 1,500 miscellaneous equipment items had to be installed.

Water is supplied from a well on or near the site. Electric power sufficient for a city of 5,000 is provided by diesel/electric generators located inside the launch operations building, along with prime components of the heating and compressed air systems, other utilities, dining facilities and accommodations for operational personnel.

Electric and electronic consoles, monitors, and displays with which the launch control officer controls and observes the progress of all operations which check out and launch the missile are also housed in this underground structure. A tunnel 10 feet in diameter and approximately 150 feet long connects the building with the launch and service building, which is primarily the launching pad.

Nearby are located the units which transmit a logical sequence of signals to the ground support mechanisms and to the missile, the tanks and control valving for the propellant loading system and other system components. Concrete and steel doors weighing 400 tons shelter the missile storage area against blast over-pressures and can be completely opened in 25 seconds.

Each of the nine Atlas E launch sites at Warren consists of an integrated launch operations building (blockhouse) and launch and service building (pad), affording independent launch capability at each site. A common squadron maintenance area supports the sites. Principally underground, their low, exposed profiles enable the structures to withstand nominal blast forces.

The components of the system required to control the vast number of sequential and simultaneous operations required to erect, ready and launch a missile, enables a single operator to actuate the automated electronic equipment. The console displays the completion of each successive operation in the launch cycle. It can halt the final countdown at any point prior to engine start. The countdown may also be stopped prior to engine start by countermanding signals from squadron headquarters.

AN OPEN LETTER TO THE PEOPLE OF CHEYENE, SOUTHEAST WYOMING, NORTHEAST COLORADO, AND SOUTHWEST NEBRASKA

On of before May 1 our firm will turn over to the Air Force the last of the nine Atlas E missile sites being constructed at Warren Air Force Base, Squadron III under our contract with the U.S. Army Corps of Engineers.

We are very proud of this May 1 completion because it represents ontime completion of a very important phase of our Nation's defense. It means that no slippage has occurred in our total construction program despite the impact of numerous major changes in our construction plans made necessary by important improvements in the missile.

The May 1, 1961, completion date for this project was established in November of 1959. This long-established completion date has been met.

We wish to take this opportunity to thank you, the residents of this area, for the excellent cooperation you have given to our firm and its employees in accomplishing our task. Our project had problems (no major construction project is without problems) but your assistance and cooperation made their solution less difficult.

We wish to thank first the many mechanics and laborers of the building trades whose efforts made possible our timely completion. This important defense project was troubled very little by labor disputes. We are happy to report that almost every building tradesman with whom we worked conscientiously endeavored to deliver "A day's work for a day's pay."

Thanks also to our office staff who worked long and hard in processing the paperwork necessary for a project of this size.

Our thanks goes out to the people of Cheyenne and this three-State region for providing living facilities to our workmen. We have enjoyed being your guests and appreciate your hospitality.

We wish to thank the staff of the Cheyenne Chamber of Commerce and the Cheyenne city officials for locating for us a suitable office from which we could direct and coordinate our widespread operation.

We wish to thank our subcontractors and those who supplied materials and services for their well-coordinated, cooperative efforts in rendering fast and effective service.

To the U.S. Army Corps of Engineers and the U.S. Air Force we extend our congratulations for obtaining ontime completion of this project and our thanks for your cooperation in the solution of the problems inherent in this fast-moving missile program.

Yours very truly,
MARTIN K. EBY CONSTRUCTION CO., INC.

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

POSTAL SERVICE AND FEDERAL EMPLOYEES SALARY ACT, 1952

The Senate resumed the consideration of the bill (H.R. 7927) to adjust postal rates, and for other purposes.

The ACTING PRESIDENT pro tempore. Under its order of yesterday, the Senate will now resume the consideration of H.R. 7927, the postal rates and Federal salaries bill.

The question is on agreeing to the amendment lettered F–9–25—62, proposed by the Senator from Pennsylvania [Mr. CLARK], upon which there is a limitation of debate of 1 hour, equally divided and controlled by the Senator from Pensylvania [Mr. CLARK] and the Senator from South Carolina [Mr. JOHNSTON].

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, notwithstanding the unanimous-consent agreement which has already been entered into, I may be allowed to suggest the absence of a quorum, to have a brief quorum call—for not to exceed 10 minutes.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

The ACTING PRESIDENT pro tempore. The 10 minutes having expired, the order for the quorum call is rescinded.

ORDER FOR ADJOURNMENT TO 9 O'CLOCK A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I yield myself one-half minute.

I ask unanimous consent that when the Senate adjourns today, it adjourn to meet at 9 o'clock tomorrow morning.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

POSTAL SERVICE AND FEDERAL EMPLOYEES SALARY ACT OF 1962

The Senate resumed the consideration of the bill (H.R. 7927) to adjust postal rates, and for other purposes.

The ACTING PRESIDENT pro tempore. Time is being taken from both sides until Senators yield time.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. CLARK. When I left the Chamber last night I was told that, while my amendment was the pending business, it would follow the morning hour. I assumed that, as is usually the case, an adequate quorum call would be given before the amendment was taken up and time began to run on the consent agreement. If time is running on this amendment, I think I should ask unanimous consent that no time should run on the amendment. I am sure my friend the majority leader would not oppose such a request.

The ACTING PRESIDENT pro tempore. No time started to run until the Senator from Pennsylvania entered the Chamber, and the Senator from Montana has used half a minute.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr MANSFIELD. There was a 10-minute quorum call, exclusive of the time for debate, so I think we have kept faith with the Senator from Pennsylvania. We have kept to the rules, to which I know the Senator from Pennsylvania wants us scrupulously to adhere. We have done our best to do what was possible under the rules of the Senate.

Mr. CLARK. I appreciate the courtesy of the majority leader. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. CLARK. As I read the unanimous-consent agreement, there is nothing in it which states that the time necessary to develop a quorum shall be taken from the time of either side. Is that correct?

The ACTING PRESIDENT pro tempore. It was not taken out of the time of either side.

Mr. CLARK. I ask unanimous consent that I may suggest the absence of a quorum, without the time being taken from either side.

Mr. MANSFIELD. Mr. President, reserving the right to object, I think this can be carried too far. I am willing to go along for another 5 minutes, but I think the Senate ought to get on with the business at hand. Senators know what the business of the Senate is. Senators know the understanding reached yesterday. If the Senator would agree to a 5-minute extension of the time already given, I would be willing to go that far.

Mr. CLARK. Will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. CLARK. I ask this question in all good faith: Does the Senator from Montana wish to proceed on this very important question involving the consti-

tutionality of a key provision, the committee proposal, a matter which should be given careful attention by all Senators, without a greater effort to develop a quorum of the Senate before the limitation of time goes into operation?

Mr. MANSFIELD. The Senator is being unfair. A 10-minute attempt was made, when the Senator from Pennsylvania was not on the floor, to protect his rights and those of the Senator from South Carolina, and the 10 minutes were granted, exclusive of the time agreed to under the agreement yesterday, for the purpose of suggesting the absence of a quorum.

I think the Senate ought to make progress on the bill. Senators understand the implications in it, because on more than one occasion the Senator from Pennsylvania has taken the floor to explain them, and I am sure every Senator understands them. Furthermore, I am sure the question was thoroughly discussed in the Post Office and Civil Service Committee.

I would be willing to have the attachés on the Democratic side call the offices of all Democratic Members of the Senate and ask them to please come to the Chamber. I would assume the Republicans would do the same thing. I ask unanimous consent, if I may——

Mr. JOHNSTON. Mr. President——

Mr. MANSFIELD. I withdraw the request.

The ACTING PRESIDENT pro tempore. The Senator from South Carolina.

Mr. JOHNSTON. I will say for our majority leader that he did ask for a quorum call, which started immediately after the prayer.

Mr. MANSFIELD. No; after the morning business was concluded.

Mr. JOHNSTON. After the morning business. There was practically no morning business.

Mr. MANSFIELD. There was none.

Mr. JOHNSTON. At that time it was done to protect the Senator from Pennsylvania, who was not in the Chamber, and whose amendment was pending. No advantage was taken of him at the time.

The truth of the matter is we want a quorum. This morning the weather is a little unusual, and I fear some Senators may have been detained. For that reason, we wanted to be as lenient on Senators as we possibly could, since the Senate met at 9 o'clock this morning. Those of us present are ready to do business.

Mr. CLARK. Mr. President——

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CLARK. I do not have the floor.

Mr. MANSFIELD. The Senator did have the floor.

Mr. President, I would like the attachés to call every Senator's office and ask Senators to be present.

Mr. BOGGS. Mr. President, will the Senator yield?

Mr. CLARK. I do not have the floor.

Mr. MANSFIELD. I yield.

Mr. BOGGS. I just left the Republican cloakroom. We are already calling the Republican Members' offices and reminding them of the unanimous-consent agreement and asking them to be present.

Mr. MANSFIELD. Mr. President, I appreciate that. Will the Senator from South Carolina yield me a quarter of a minute?

Mr. JOHNSTON. I yield.

Mr. CLARK. Mr. President——

COMMITTEE MEETING DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Business and Commerce Subcommittee of the Committee on the District of Columbia be permitted to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

POSTAL SERVICE AND FEDERAL EMPLOYEES SALARY ACT OF 1962

The Senate resumed the consideration of the bill (H.R. 7927) to adjust postal rates, and for other purposes.

Mr. MANSFIELD. Mr. President, I should like to suggest once again the absence of a quorum, and ask that the time limitation of 10 minutes be placed on that suggestion, as was done previously.

Mr. CLARK. Mr. President, reserving the right to object—and I shall object——

Mr. MANSFIELD. Mr. President, I withdraw my request.

The ACTING PRESIDENT pro tempore. The suggestion is withdrawn. Does the Senator from Pennsylvania yield himself time?

The question is on agreeing to the amendment offered by the Senator from Pennsylvania. Time is running.

Mr. CLARK. Mr. President, I yield myself one-half minute.

The ACTING PRESIDENT pro tempore. The Senator may proceed for one-half minute.

Mr. CLARK. I want to be very friendly to my friends from Montana and South Carolina, for whom I have great affection, but I am not going to proceed on this amendment, time or no time, unless a quorum of the Senate is present. If the majority leader insists that the time to develop a live quorum be taken out of my time, I suppose that is his right, although I do not think the agreement entered into last night so contemplated.

Mr. President, I suggest the absence of a quorum. I will ask for a live quorum. If the Senator does not want to use any time in debate on this important amendment, he may be within his rights. I suggest the absence of a quorum.

Mr. MANSFIELD. Mr. President, I object. Now, Mr. President, I renew my request, and I hope no Senator will object.

Mr. CLARK. A parliamentary inquiry, Mr. President. Can the majority leader object to the suggestion of the absence of a quorum?

The ACTING PRESIDENT pro tempore. No.

Mr. CLARK. Under what rule of the Senate is a Senator not entitled to suggest the absence of a quorum, if he agrees to take the time out of his time under a unanimous-consent agreement?

The ACTING PRESIDENT pro tempore. Will the Senator from Pennsylvania permit the Chair to rule?

Mr. CLARK. Yes.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania has a perfect right to suggest the absence of a quorum, and the time for the call of the roll will come out of his time. The Chair was about to suggest that the clerk call the roll.

Mr. CLARK. I thank my friend. I regret my impetuosity.

Mr. MANSFIELD. Mr. President, would the Senator withhold his suggestion briefly?

Mr. CLARK. Yes.

Mr. MANSFIELD. Mr. President, will the Senator from South Carolina yield me one minute?

Mr. JOHNSTON. I yield.

Mr. MANSFIELD. Mr. President, again to resolve this question—and, I hope, to avoid an embarrassing situation—I should like, with the concurrence of Senators present, again exclusive of the time allotted to the Clark amendment, which is now the pending question, to ask unanimous consent to suggest the absence of a quorum, with the understanding that the call of the roll not exceed 10 minutes.

Mr. CLARK. Mr. President, under the circumstances, I shall not object.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered; and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

The ACTING PRESIDENT pro tempore. The 10 minutes allotted for the quorum call have expired. No time has been taken from either side up to the present time.

The time allotted under the unanimous-consent agreement will start running as of now.

Mr. CLARK. Mr. President——

The ACTING PRESIDENT pro tempore. How much time does the Senator from Pennsylvania yield to himself?

Mr. CLARK. I yield myself 5 minutes.

The ACTING PRESIDENT pro tempore. The Senator is recognized for 5 minutes.

Mr. CLARK. Mr. President, the Senate, the greatest deliberative body in the world, is now proceeding to consider an important amendment to a most important bill. The provision of the bill, for which my amendment is a substitute, would impose a governmental detention system on the mails with respect to Communist propaganda. It would violate basic constitutional civil liberties. It would be an affront to the commonsense and patriotism of the American people, because it would treat the overwhelming majority of the people as little boys and girls in whose hands Communist propaganda could not be trusted because the Government thinks it might subvert them against the cause of free-

dom and to the cause of communism. It would do great harm to our foreign policy because it would invite retaliatory action by the Communist against Western mail which is being delivered in significant and increasing volume in Communist areas.

As the Senate proceeds to consider the amendment, there are five Senators in the Chamber—one Republican and four Democrats. The five include the Acting President pro tempore.

Mr. MANSFIELD. There are six Senators present.

Mr. CLARK. Mr. President, the majority leader has quite properly corrected me. There are six Senators in the Chamber, not five. There are five Democrats and one Republican.

If I may paraphrase an old saying without being profane, this is a most unusual way to run a railroad.

Mr. President, a seventh Senator has just entered the Chamber.

I am proceeding to discuss my amendment because to buck the establishment any further would do no good to the cause of the amendment. It would get no votes for it. Therefore I am going forward.

Mr. President, here come the eighth and ninth Senators.

Mr. JOHNSTON. Mr. President, will the Senator yield 1 minute?

Mr. CLARK. Mr. President, does the Senator from South Carolina wish to have the time necessary for his statement taken out of my time?

Mr. JOHNSTON. I will take it out of my time.

Mr. CLARK. I yield to the Senator from South Carolina on his own time.

Mr. JOHNSTON. I was present in the Senate Chamber at 9 o'clock this morning, and Senators had to wait 10 minutes for the Senator from Pennsylvania to arrive.

Mr. CLARK. Mr. President, I assume that 15 seconds have been taken out of the time of the Senator from South Carolina.

The pending amendment would do three things. Before I describe what they are, I should like to state that the pending amendment, with one modification, is a bill sponsored by the Honorable FRANCIS E. WALTER, chairman of the House Committee on Un-American Activities. The bill passed the House by a vote of 369 to 2 on the 18th of September 1961. It has been reported favorably by the Senate Committee on the Judiciary with an amendment of which I shall speak in a moment.

No one can say that the chairman of the House Committee on Un-American Activities is less than zealous in his effort to prevent Communist propaganda from coming into this country or any other Communist subversive activity.

So I think all Senators who wish to beat their breasts to let the country know how anti-Communist they are and how pro-American they are can vote with clear consciences for the amendment. No one could ever say that anybody who voted for the amendment was soft on communism because its author is that Member of the House of Representatives who has attained a justified reputation as being the toughest anti-Communist in the whole House.

The amendment would do three things.

First. It would authorize the Postmaster General to publish by appropriate notices posted in post offices the fact that Communist propaganda and obscene matter is coming through our mails.

Second. It would notify recipients of mail, when the postmaster deems it appropriate, that the U.S. mails may contain not only Communist propaganda but obscene, lewd, lascivious or indecent matter. Certainly we desire to stop that kind of material from going through the mails, too.

Mr. President, for the RECORD I note that a 10th Senator has just entered the Chamber, but another has left.

Third. The amendment would permit any person to file a written request at his local post office to detain such propaganda or such obscene matter, and when the Postmaster General received such request, he would be authorized to detain and dispose of such mail for such period as the request is in effect, thus preventing embarrassment to the recipient from having a flood of this propaganda which he does not want to have come to him.

This will be especially helpful to new refugees coming into this country, who are subjected to the "come back to the homeland" type of propaganda. I urge support of the amendment.

The 11th Senator has just entered the Chamber, but a few others have left; so there are now present less than 10 Senators.

I reserve the remainder of my time.

Mr. JOHNSTON. Mr. President——

The ACTING PRESIDENT pro tempore. Does the Senator desire to yield some time?

Mr. JOHNSTON. I do not. I want to vote and am ready to vote.

The ACTING PRESIDENT pro tempore. Does the Senator from Pennsylvania desire to take some time?

Mr. CLARK. I shall take 2 minutes more. I call the attention of the Senate to a statement made by Representative WALTER in the House of Representatives, which appears at page 18843 of the RECORD for September 18 last year, when he spoke in a colloquy with Representative CUNNINGHAM, the author of the provision which is now under discussion in a modified form.

> Mr. WALTER. I am willing to accept the judgment of the staff of the Committee on Un-American Activities and disregard my own feelings in the matter. Certainly the amendments that the gentleman in his well-understood anxiety to do something about this are entitled to attention. The gentleman has been most zealous over the years in trying to bring to the attention of the American people an appreciation of the fact that there is such a thing as a cold war. But I am afraid if we adopt something that will not stand the test of the courts this futile gesture will delay the time when we can do something constructive about this problem.

In other words, Mr. WALTER, who was speaking to Representative CUNNINGHAM, thought that the Cunningham amendment was unconstitutional, and he thought his amendment was constitutional. I agree with Mr. WALTER. I would much rather have an amendment which deletes the modified Senate committee version of the Cunningham amendment in the bill, but that effort was defeated last night. I now give an opportunity to my colleagues in the Senate to support the Walter proposal, which the chairman of the Un-American Activities Subcommittee in the House believes is as far as we can go constitutionally in order to deal with the problem of Communist propaganda in the mails.

Now, Mr. President, noting that, as the roll is about to be called, there are 10 Senators in the Chamber, I am prepared to yield back the remainder of my time and have a yea and nay vote on a matter involving the Constitution of the United States, the foreign policy of the United States, and an administrative monstrosity.

The ACTING PRESIDENT pro tempore. The yeas and nays have not been ordered.

Mr. MANSFIELD. I ask for the yeas and nays.

Mr. CLARK. Ten Senators are not enough for the ordering of the yeas and nays. Let the RECORD note that there are not enough Senators in the Chamber to order a yea and nay vote.

Mr. MANSFIELD. Would the Senator from South Carolina yield me a half minute?

Mr. JOHNSTON. I gladly yield to the majority leader.

Mr. MANSFIELD. Much as I admire and agree with the Senator from Pennsylvania in so many things which he advocates, I believe it is highly unfair and improper for him to single out Senators as they come into the Chamber and to state, for the benefit of I know not whom, exactly how many Senators are present.

We ought to try to keep this body as dignified as possible, and not downgrade it. We have our weaknesses, and we ought to understand one another. I hope this kind of procedure will not continue in the future.

Mr. CLARK. I yield myself 1 minute. I did not single out Senators by name.

Mr. MANSFIELD. By number.

Mr. CLARK. Not by name.

Mr. MANSFIELD. But by party.

Mr. CLARK. By party, but not by name. I think it is high time that the American people know what goes on in this body. If the Senator from South Carolina is prepared to yield back the remainder of his time, I am prepared to yield back the remainder of my time.

Mr. JOHNSTON. I yield back my time.

Mr. CLARK. I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. All time has been yielded back.

Mr. MANSFIELD. If the two Senators would please modify their request to yield back all of their time except for 15 minutes, there could be a quorum call for that length of time before the vote.

Mr. CLARK. I am happy to cooperate.

Mr. JOHNSTON. I am glad to cooperate with the majority leader.

Mr. MANSFIELD. So there will be a yea-and-nay vote at 10 o'clock. Then the quorum call will cease, and the vote will start.

The ACTING PRESIDENT pro tempore. Without objection it is so ordered. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

The PRESIDING OFFICER (Mr. BURDICK in the chair). Fifteen minutes have expired; and, under the unanimous-consent order, the quorum call is automatically rescinded.

Mr. CLARK. Mr. President, I should like to have one-half a minute.

Mr. MANSFIELD. Mr. President, because of the unusual circumstances this morning, I ask unanimous consent that the Senator from Pennsylvania be permitted to proceed for 2 minutes, and that then the Senate proceed to vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. I thank the majority leader for his courtesy. I shall not need more than 30 seconds.

I wish to call official attention, in the RECORD, to an article published this morning in the New York Times, on page 30. The article is entitled "Postal Rate Bill Fought in Senate," and is published under the byline of C. P. Trussell. The article misstates my position as favoring reinstatement of a system of censorship of foreign mail. Nothing could be further from the truth, as anyone who has been in the Senate or who has read the CONGRESSIONAL RECORD knows. I hope that in due course a correction will be printed by the New York Times.

Mr. President, I yield back the remainder of the time available to me.

The PRESIDING OFFICER. The question is on agreeing to the amendment lettered "F" of the Senator from Pennsylvania [Mr. CLARK].

On this question the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Colorado [Mr. CARROLL], the Senator from Connecticut [Mr. DODD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Indiana [Mr. HARTKE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from North Carolina [Mr. JORDAN], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], and the Senator from Michigan [Mr. MCNAMARA] are absent on official business.

I further announce that the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. HICKEY], and the Senator from Missouri [Mr. LONG] are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut [Mr. DODD] and the Senator from Louisiana [Mr. LONG] would each vote "nay."

On this vote, the Senator from Colorado [Mr. CARROLL] is paired with the Senator from Minnesota [Mr. HUMPHREY]. If present and voting, the Senator from Colorado would vote "nay," and the Senator from Minnesota would vote "yea."

On this vote, the Senator from North Carolina [Mr. JORDAN] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from North Carolina would vote "nay," and the Senator from Alaska would vote "yea."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN] is absent on official business.

The Senator from Utah [Mr. BENNETT], the Senator from Maryland [Mr. BUTLER], the Senator from South Dakota [Mr. BOTTUM], the Senator from Indiana [Mr. CAPEHART], the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senator from New Hampshire [Mr. COTTON], the Senator from New York [Mr. JAVITS], the Senator from Iowa [Mr. MILLER], the Senator from Kentucky [Mr. MORTON], and the Senator from Texas [Mr. TOWER] are necessarily absent.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Maryland [Mr. BUTLER], the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senator from Iowa [Mr. MILLER], the Senator from Kentucky [Mr. MORTON], and the Senator from Texas [Mr. TOWER] would each vote "nay."

On this vote, the Senator from New York [Mr. JAVITS] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from New York would vote "yea," and the Senator from Indiana would vote "nay."

The result was announced—yeas 23, nays 51, as follows:

[No. 280 Leg.]

YEAS—23

Bartlett	Mansfield	Pastore
Burdick	McCarthy	Pell
Case	McGee	Randolph
Clark	Metcalf	Smith, Mass.
Hart	Morse	Williams, N.J.
Jackson	Moss	Yarborough
Kefauver	Muskie	Young, Ohio
Long, Hawaii	Neuberger	

NAYS—51

Allott	Ervin	Murphy
Beall	Fong	Prouty
Bible	Goldwater	Proxmire
Boggs	Hayden	Robertson
Bush	Hickenlooper	Russell
Byrd, Va.	Hill	Saltonstall
Byrd, W. Va.	Holland	Scott
Cannon	Hruska	Smathers
Chavez	Johnston	Smith, Maine
Church	Jordan, Idaho	Sparkman
Cooper	Keating	Stennis
Curtis	Kerr	Symington
Dirksen	Kuchel	Talmadge
Douglas	Lausche	Thurmond
Eastland	McClellan	Wiley
Ellender	Monroney	Williams, Del.
Engle	Mundt	Young, N. Dak.

NOT VOTING—26

Aiken	Dodd	Long, Mo.
Anderson	Fulbright	Long, La.
Bennett	Gore	Magnuson
Bottum	Gruening	McNamara
Butler	Hartke	Miller
Capehart	Hickey	Morton
Carlson	Humphrey	Pearson
Carroll	Javits	Tower
Cotton	Jordan, N.C.	

So Mr. CLARK's amendment F was rejected.

Mr. JOHNSTON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DIRKSEN. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. CLARK. Mr. President——

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Pennsylvania identified as "B."

The CHIEF CLERK. On page 30, line 14, after "(a)" it is proposed to insert the following:

When the President of the United States determines that it is in the national security interest because of the failure of any Communist country or countries to handle mail from the United States in accordance with international postal agreements or for any other reason, the President is authorized to direct that.

Mr. CLARK. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 5 minutes.

Mr. CLARK. Mr. President, yesterday I made my main argument against the Senate watered-down version of the House Cunningham amendment. In that argument I pointed out that it would be wiser to rely on the commonsense and patriotism of the American people to reject propaganda than to take the first small step toward a police state by creating a censorship of Communist propaganda coming in through the mails of the United States.

The Senate version on this subject incorporates a definition of Communist propaganda which is completely and utterly unenforceable. It would require the Secretary of the Treasury to determine the belief or intent of the author of the propaganda being sent to an American citizen. It would require him to translate this propaganda from the Russian, Chinese, Bulgarian, Rumanian or any one of hundreds of Communist bloc languages. Then if the Treasury decided that the propaganda related to the policy or interest of a foreign government or our Government, regardless of whether their policies or interests and ours coincided, he would detain the mail. It would impose an impossible administrative burden on the Secretary of the Treasury, and on the Postmaster General.

In my opinion, the Senate version of the amendment is unnecessary. It would be costly as well as unconstitutional, and it would damage our foreign policy.

That it would be damaging to our foreign policy there can be no doubt, for that was testified to before the committee by Mr. Edward R. Murrow, Director of the USIA, and by Assistant Secretary of State William Tyler, who is in charge of U.S.S.R. and East European policy affairs. Mr. Tyler spoke for himself and for Ambassador Llewellyn Thompson, recently returned from 5 years in Moscow. These gentlemen stated that the amendment risked retaliatory action by the Communist bloc countries in detain-

ing our propaganda going to Iron Curtain areas. The facts establish clearly, beyond peradventure of doubt, that Western mail to Russia is increasing and the mail from Communist countries to the United States is decreasing. We are getting into a more favorable position behind the Iron Curtain, bringing the voice of freedom to the people of those countries. Let us not now build a wall of ignorance.

As Mr. Murrow well said, one candle lighted in the dark room of the countries behind the Iron Curtain is worth 100 candles lighted in the sunshine of the free nations.

I wish to cite what the President of the United States said with respect to the Cunningham amendment:

> I think the American people are used to hearing all sides, and I don't think that they are particularly impressed by a good deal of what I have seen of propaganda.

The President has made it abundantly clear that he is opposed to any mail screening process. The President has made it abundantly clear that he does not believe it would do anything other than damage our foreign policy. The President of the United States should be given the authority to make up his own mind as to how to deal with the ticklish, delicate question of the exchange of information between our country and foreign countries.

The amendment now pending would give the President such authority.

I ask the support of my colleagues for the amendment, which would provide that "when the President of the United States determines that it is in the national security interest because of the failure of any Communist country or countries to handle mail from the United States in accordance with international postal agreements or for any other reason, the President is authorized to direct that" the provisions of the Senate amendment come into effect.

In other words, the amendment calls for cooperation between the legislature and the Executive. It would lay down a policy determined by the legislature and provide that the President of the United States should have the discretion to determine, in his conduct of the foreign affairs of this Nation, when the policy should come into effect in the national interest and when it should not.

I ask the support of Senators on this amendment on the ground that it would prevent our putting into effect a costly, unnecessary, unconstitutional provision, derogatory to the interests of all ordinary American citizens, derogatory to the cause of freedom, unless and until the President of the United States determines that this policy is required in our national security.

Mr. President, I ask for the yeas and nays on my amendment "B."

The yeas and nays were ordered.

Mr. CLARK. Mr. President, I reserve the remainder of my time.

Mr. JOHNSTON. Mr. President, I yield 10 minutes to the Senator from Virginia [Mr. ROBERTSON] from the time on the Clark amendment.

BUDGET DEFICIT

Mr. ROBERTSON. Mr. President, the fact that in the midst of what could be called our period of greatest prosperity, because both the production of goods and services and the national produced income are at an all-time high, it gives me great concern to face the unpleasant fact that we are headed for an all-time peacetime deficit in the current fiscal year.

Last January, the President estimated receipts for the current fiscal year at $93 billion, expenditures at $92½ billion, showing a pleasing surplus of $500 million which would follow a deficit of something over $6 billion. Since that time, the estimate of receipts has decreased and the estimates of spending have increased.

This month, the Treasury has revised its January estimates of receipts down to $88.7 billion. We must take another loss of $1½ billion from a recent revision by the Bureau of Internal Revenue of depreciation schedules and another estimated loss of $1.3 billion from the tax bill on which we have recently agreed. That brings our estimate of revenue down to $85.9 billion, while the present Bureau of the Budget estimate of spending has risen to $94 billion. The difference, of course, between those two estimates of revenue and expending is a deficit of $8.1 billion. But that does not include the emergency public works program which apparently will provide, in the pending public works bill, an additional $400 million for unbudgeted area redevelopment, urban renewal, and community facility projects to be selected by the President.

And, of course, everybody anticipates that there will be a tax cut early next year, the only difference of opinion being as to how much revenue will be lost under the new bill. But if the labor leaders have their way, and all too frequently they do, the new tax bill will occasion an additional revenue loss of $10 billion, and if, as we may anticipate the major beneficiaries of the tax cut are those in the first income bracket, few new jobs will be created to offset a deficit which could reach the alltime peacetime peak of $18 billion.

For what little consolation it may give to Members of Congress when they contemplate that fiscal program, I wish to point out that the spending program I have enumerated is well below the requested spending program submitted to the Congress in the official budget request. The largest single spending bill was, of course, the Defense bill, and that was $229 million below the budget even after letting the budget take credit for an additional spending for long-range bombers of $514 million, which was only a bookkeeping credit. That was an unspent fund carried over from the previous budget, and the Defense Department wanted to spend it without counting it in the new budget but the Appropriations Committees of the House and Senate canceled the old appropriations and appropriated new money which made it appear that we were $514 million above the budget when actually there had been no increase.

My tabulation of current appropriations indicates that we are now $760 million below the budget, including the $514 million of phony bookkeeping. I hesitate to give a firm figure of how much we will be under the budget on foreign aid but my offhand guess is that we will be $500 million below the budget. Yet, the unpleasant fact remains that we are headed into an unprecedented peacetime deficit which has been increased rather than diminished by the bill pending before us relating to postal rates and increased pay for all Government workers. When in full operation, it will make a permanent addition of over a billion dollars to the annual cost of operating the Federal Government. Two years ago, the House passed a bill to increase the pay of Government workers by 11 percent to offset past and anticipated increases in the cost of living. The Senate reduced that bill to 7½ percent and the President vetoed the Senate bill on the ground that the increase in the cost of living had been only 3 percent. Early this year, the President recommended for postal workers a two-stage pay increase which he claimed would fully meet the increased cost of living and when accompanied by a recommended increase in postal rates would give us substantially a balanced budget for the Post Office Department.

During recent years, it has been my unhappy duty to report each year to the Senate an appropriations bill for the Post Office Department in which expenditures exceeded receipts by some $800 million. Since the volume of mail was increasing, the population to be served was increasing and necessarily the number of postal workers was increasing, the only practical way to secure a balanced budget for the Department was to put all classes of mail on a self-supporting basis. Consequently, I have repeatedly recommended a sufficient increase in postal rates to cover the expenses of the Department. In that connection, it should be recalled that the only socialistic venture incorporated in our Constitution was the authority for the Federal Government to own and operate post offices. That provision was inserted upon the insistence of Benjamin Franklin who operating a crown concession to deliver the mail in Pennsylvania had made a substantial revenue from the business and he contended that if the Federal Government operated such a monopoly it could greatly reduce the current charges of delivering a letter which for short distances ranged from 25 to 50 cents and at the same time operate on a balanced budget.

In the early days of our Government that was done but in more recent years it has never been done. The anticipated postal deficit for the current fiscal year is now estimated at more than $900 million and the bill that is pending before us, which turns down the recommendations of the President of a plan to balance the postal budget makes the situation worse instead of better. To cover an increase in the cost of living of 2.2

percent which has occurred since the last pay raise went into effect, the pending bill provides for postal workers an immediate increase of 8.6 percent and of a subsequent increase of 2.6 percent making a total of 11.2 percent. For other Government employees known as classified civil service employees all in the first three grades get an immediate promotion and in addition a cost-of-living pay increase, first of 5.5 percent and then of 4.1 percent, making a total of 9.6 percent.

Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD at this point a letter from the Postmaster General with accompanying tables which indicate that there has been no time since serious inflation started during World War II when the Congress has not advanced the pay of postal workers faster than the increased cost of living.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE POSTMASTER GENERAL,
Washington, D.C., September 26, 1962.

Hon. A. WILLIS ROBERTSON,
Chairman, Subcommittee on Treasury-Post Office Departments Appropriations, Washington, D.C.

DEAR MR. CHAIRMAN: Last evening we received by telephone your request for answers to six questions relating to H.R. 7927 as it was reported out of the Senate Committee on Post Office and Civil Service on September 24. The question and our answers are attached.

In developing estimates of the additional costs and revenues that would result from this bill, we have used current levels of employment and mail volume throughout even though the ultimate increases for pay and postal rates adjustments will not be reached until January 1, 1964, and January 1, 1965, respectively. The estimates are of necessity rough but we believe indicate the order of magnitude of the financial impact of the proposed legislation.

In any comparison of increases in cost of living with salary increases for postal workers, it is important to bear in mind that at the close of World War II postal pay was seriously out of line with private industry and that a substantial portion of the increases since that time were in an effort to abridge that gap. As I testified on the pay bill, one of the objectives of the administration's proposal is to bring Federal salaries in line with those of private industry and cannot, therefore, be entirely evaluated by comparisons with changes in cost of living.

Sincerely yours,

J. EDWARD DAY,
Postmaster General.

QUESTIONS SUBMITTED TO THE POST OFFICE DEPARTMENT BY SENATOR A. WILLIS ROBERTSON, SEPTEMBER 25, 1962, WITH REPLIES BY THE POST OFFICE DEPARTMENT

1. How much has the cost of living advanced since the end of World War II?

Reply: Between July 1945 and August 1962 the cost of living index advanced 66.9 percent. Between July 1939 and August 1962 the CPI advanced 118 percent.

2. How much pay has the postal workers bill advanced since that time?

Reply: Postal workers' pay has increased on the average of 151.3 percent over the period referred to in the reply to question 1. Since July 1939 pay has increased 194 percent.

3. How much has the cost of living advanced since the last pay raise?

Reply: Between July 1960, the date of the last pay increase, and August 1962 the cost of living index advanced 2.2 percent.

4. How much will the pay be advanced by the bill reported to the Senate?

Reply: It is estimated that on the average the pay of postal workers will be increased by 8.6 percent under schedule 1 and by an accumulative total of 11.2 percent when schedule 2 is in effect.

5. How much will be left of the increase on postal rates if that pay increase is put into effect?

Reply: It is estimated that the maximum postal rate prescribed by the bill will produce $603 million additional revenue and that the maximum pay increases, based on levels of employment used when the bill was prepared, will cost $375 million annually. There would, therefore, be left $228 million of the postage increase to apply against the postal fund deficiency. A further credit would be allowed through the increases in public service provisions permitting the chargeoff of possibly as much as $370 million in public services compared with $248 million originally estimated for fiscal 1963 under existing legislation.

6. What will be the anticipated deficit for the current fiscal year if the proposed bill is put into effect?

Reply: Under existing legislation a postal fund deficiency of $907 million is projected for 1963. If the first pay increase is made effective October 13, 1962, and the rate increases are made January 7, 1963, it is estimated that the current year's deficit will be reduced by $39 million. In addition, there would be the increase in the amount of the public service writeoff referred to in the reply to question 5 which could bring the total public service allowance for fiscal 1963 up to $375 million. These figures do not include any factor for the proposed increases in parcel post rates and size and weight limitations now pending before the Interstate Commerce Commission. The effective date of these changes cannot be estimated because the matter has been thrown into the courts by the Railway Express Agency.

(NOTE.—See explanatory comments in accompanying letter of September 26, 1962 to Senator ROBERTSON.)

Mr. ROBERTSON. These tables indicate that in spite of some modest increases in second- and third-class mail rates and a major increase in the rates on first-class mail, which is already on a self-supporting basis, the proposed 11.2-percent pay raise will result in a Post Office Department deficit for the current year of $868 million.

There is an old maxim to the effect that "A man must be just before he is generous." Ever since I served on the Post Office Committee in the House, I have had a high regard and a genuine affection for postal workers. I have voted for every pay raise that Congress has given them during the past 30 years. I regret to find myself in opposition to the pending 11.2-percent pay raise. I would gladly have supported a raise sufficient to cover the increase cost of living but, as I have pointed out, the proposed raise is more than five times the increase in the cost of living during the past 2 years and it will be paid with borrowed, and I fear, inflationary dollars because as I said, we can now anticipate a deficit in the current fiscal year in excess of $8 billion without a tax cut and the type of tax cut which I anticipate the Congress will vote next year under the urging of labor leaders will increase that deficit to $18 billion.

While my impulses are to deal generously with my postal friends, my sense of justice to the taxpayers of the Nation impel me to vote against this bill.

Mr. CURTIS. Mr. President, will the distinguished Senator yield?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ROBERTSON. Mr. President, will the distinguished Senator from South Carolina yield to me an additional 30 seconds?

Mr. JOHNSTON. I yield 30 seconds to the Senator from Virginia.

Mr. ROBERTSON. I yield to the Senator from Nebraska.

Mr. CURTIS. Mr. President, I commend the Senator from Virginia for setting forth the idea of an automatic pay raise geared to the cost of living and putting it on a businesslike basis, rather than having a recurring pressure over salaries.

Mr. ROBERTSON. I think that might be a good idea. But there has been proposed a pay raise that would go into effect before the election and postal rates that would go into effect after the election, which is calculated to make everyone happy except the taxpayers.

Mr. CURTIS. I agree with the Senator.

Mr. BUSH. Mr. President——

Mr. CLARK. Mr. President, I believe that the distinguished Senator from South Carolina and I are in control of the allotted time. Does the Senator wish me to yield to him?

Mr. BUSH. I wish to speak against the Clark amendment.

Mr. CLARK. Mr. President, will the Senator withhold his request? The majority leader, who must leave to attend a meeting, desires me to yield to him 1 minute. I yield to him at this time. I yield 1 minute to the majority leader.

Mr. MANSFIELD. Mr. President, in perusing the amendment offered by the distinguished Senator from Pennsylvania [Mr. CLARK], I find that it has a great deal of merit. Furthermore, it would not eradicate, delete, or knock out the section having to do with Communist political propaganda as carried in the bill. What the Senator from Pennsylvania is doing is offering a prelude to that particular segment of the bill now before us. In it he provides the following:

When the President of the United States determines that it is in the national security interest because of the failure of any Communist country or countries to handle mail from the United States in accordance with international postal agreements or for any other reason, the President is authorized to direct that—

Then the section in the bill continues. That section was approved by the committee as a whole and was reported to this body.

It seems to me that there is much merit in the proposal of the Senator from Pennsylvania, and I hope that the amendment will be agreed to by the Senate.

Mr. KUCHEL. Mr. President, will the Senator yield for a question?

Mr. MANSFIELD. If I have the time.

Mr. KUCHEL. Does the Senator speak for the administration when he makes his recommendation?

Mr. MANSFIELD. I speak for the Senator from Montana.

Mr. KUCHEL. Does the administration support the amendment offered by the Senator from Pennsylvania?

Mr. CLARK. I cannot categorically say it does, but I believe it does.

Mr. YARBOROUGH. Mr. President, will the Senator from Pennsylvania yield me 2 minutes?

Mr. JOHNSTON. Mr. President——

Mr. CLARK. The Senator from Texas must leave to attend an important meeting.

The PRESIDING OFFICER. The time must be yielded by either the Senator from South Carolina or the Senator from Pennsylvania.

Mr. CLARK. Mr. President, I yield 2 minutes to the Senator from Texas.

Mr. YARBOROUGH. Mr. President, the distinguished majority leader has called to the attention of the Senate the effect of the amendment proposed by the Senator from Pennsylvania. I point out that the amendment would leave in the bill all the provisions on this point that have been worked on for weeks by the Post Office and Civil Service Committee and reported from that committee. But the amendment would merely add a provision giving the President of the United States discretionary power in the national security interest to put into effect certain postal regulations on this subject.

Mr. President, we give the President of the United States the power to command the Armed Forces of this country and all the vast power that goes with that grant. That is in accordance with the Constitution of the United States, article II, section 2, which provides that the President shall be the Commander in Chief of the Armed Forces of the United States. Treaties are negotiated, by officers appointed by him subject to ratification by the Senate.

If we vest in the President of the United States power to control the Armed Forces, power to preside over and direct a National Security Council, power to decide the issues of peace and war—because under modern technological conditions, he cannot wait for a declaration by Congress—it seems to me that to deny the President this little shred of power with respect to the effect of importation of mailed matter on our national security would be strange, indeed.

The President is in charge of the CIA. He is in charge of our intelligence operations around the world. He is in charge of our diplomatic negotiations around the world. He commands the vast Armed Forces of our country. It would seem strange indeed to turn him down on this small requested aid in our propaganda war with the Soviets by voting against the Clark amendment. We would be saying, in effect, that we will not let him, in the national security interest, act on the mere question of the flow of mail between countries.

This would be an almost inconceivable action for us to take, when we give the President all these greater powers, dealing with foreign nations—and of course this special amendment deals with foreign nations—particularly the flow of mail with Communist nations.

I thank the Senator for yielding time to me. I shall vote for the Clark amendment.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JOHNSTON. I yield 7 minutes to the Senator from Connecticut [Mr. BUSH].

Mr. BUSH. Mr. President, I have listened to the Senator from Pennsylvania advocating his amendment. It seems to me that the question involved is whether we want to make the control of propaganda strictly discretionary with the President of the United States, or whether we want to make it a matter of law. The amendment Senators have have been discussing has been referred to as the Cunningham amendment. Actually, it is a modification of a bill which I introduced on January 25. It is referred to in the committee report in that way. Therefore, the question before the Senate is whether we wish to establish a law with respect to the control of Communist propaganda, or leave it to the discretion of the President.

It seems to me, inasmuch as the regulations contained in my proposal now embodied in the bill are almost exactly in the same form or the regulations that were in effect under President Truman and President Eisenhower, it is appropriate that this provision should be a matter of law. I believe the committee was almost unanimous in approving the amendment.

I remind the Senate, as a matter of history, that the precedent for screening of foreign political publications was established in 1940, and was aimed primarily at Nazi propaganda. The legal basis for the restrictive action rested on an interpretation by the Attorney General of the Foreign Agents Registration Act of 1938.

According to a report by the General Counsel of the Post Office Department. the emphasis of the detention program was shifted in 1948 from Nazi publications to Communist propaganda. Following this switch in emphasis there was thereafter no detention of material ordered by libraries, universities, political scientists, or individuals who had formally notified the Post Office Department that they had ordered the publications.

In 1958, the policy was amended further. Individual addressees from that time through the termination of the program were asked whether they wanted delivery of the publications. If they did, the material was delivered.

It must be remembered that the detention program did not apply to first-class mail. The opening of first-class mail would be censorship in a form for which there is no existing statutory authority.

The amendment to the committee bill, as I understand it, merely reinstates the policy which was adopted under President Truman and followed under President Eisenhower. It was discontinued early in the Kennedy administration, on the theory that it served no useful purpose. However, it is interesting to note that in 1960 the number of pieces of Communist printed matter turned over by the Post Office Department to the Customs Service, excluding first-class mail, was 21,607,000.

The most vicious propaganda cammaign is being conducted against the United States by both Communist China and Communist Russia. Inasmuch as the Communist Party is outlawed in the United States—and I voted for that measure in the Senate, and it was adopted, I believe, by a unanimous vote, several years ago—it is not unreasonable for us to restrict propaganda of a Communist nature, to the extent, at least, that the people of this country want it restricted.

People can have it sent to them if they want it. They would have to ask the Postmaster General to let it come to them. All schools and libraries and educational institutions are excluded from the provisions of the bill, so students of Communist propaganda would be in no way deprived of their right or opportunity to study it.

I believe that the danger is growing day by day, almost minute by minute, as we see Russians move into Cuba to establish another base, for the servicing of their so-called fishing fleet.

I have confidence in the President of the United States. I have not the slightest doubt that he hates communism as much as I do. However, I think it is entirely appropriate for Congress to state whether it wishes as a matter of law to restrict the flow of Communist propaganda into this country. That is all the bill would do.

The committee amendment is very moderate. It does not impinge upon intellectual freedom. It is designed merely to protect the interests of the United States and to avoid involuntary cooperation with the Communist propaganda machine, which is certainly an immense machine. I have seen the effects of it in various countries around the world, particularly in Latin America and Central America, at our back door.

Therefore, I hope the Clark amendment will be defeated and that the Senate will insist upon making the committee amendment a part of the law.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the section of the report on the bill beginning with the third paragraph on page 22 and continuing to the end of that page.

There being no objection, the excerpt from the report (Report No. 2120) was ordered to be printed in the RECORD, as follows:

The substitute drafted by the committee, which appears as section 305 of the bill, consists of a modification of S. 2740, introduced by Senator BUSH on January 25, 1962, which would have had the effect of reinstating the program of screening Communist political propaganda substantially as that program was conducted prior to March 17, 1961.

Section 305 provides for a program under which, with certain exceptions, Communist political propaganda coming into the United States from foreign countries would be intercepted and would be delivered only upon

the request of the addressee within a reasonable time, which shall not exceed 60 days.

Section 305 specifically provides that mail matter, except sealed letters, originating in a foreign country and which is determined by the Secretary of the Treasury to be Communist political propaganda shall be detained by the Postmaster General upon its arrival for delivery in the United States, or upon its subsequent deposit in the U.S. domestic mails, and the addressee shall be notified that such matter has been received. Such detention would not be required in the case of any matter which is otherwise ascertained by the Postmaster General to be desired by the addressee.

Exempted would be matter addressed to Government agencies, to libraries, or to colleges, universities, graduate schools, scientific or professional institutions for advanced studies, or any individual connected therewith. Likewise, material addressed for delivery in the United States pursuant to a reciprocal international agreement under which the U.S. Government mails an equal amount of material for delivery in a Communist country, would be exempted.

In order to furnish guidelines to the Secretary of the Treasury as to what constitutes Communist political propaganda, the entire definiton of political propaganda contained in the Foreign Agents Registration Act of 1948 is incorporated by reference and related to matter issued by or on behalf of any country from which tariff concessions have been withdrawn under section 5 of the Trade Agreement Extension Act of 1951 or section 231 of the Trade Expansion Act of 1962, or which is denied assistance under section 620 (f) of the Foreign Assistance Act of 1961, as amended.

Mr. JOHNSTON. I yield 5 minutes to the Senator from South Dakota.

Mr. MUNDT. Mr. President, I rise in opposition to the Clark amendment and in support of the position expressed so ably by the Senator from Connecticut. I urge the Senate not to retreat in the face of this third successive attack on the anti-Communist mail provision. We have stood up against the attack twice. Let us stand up the third time.

This is the most intriguing and insidious attack of the three, because by adding the prelude we destroy entirely the purpose of the amendment.

It would be just as logical and effective to eliminate the language written by the committee itself, which would leave the residual authority in the hands of the President. The same effect would be achieved as if we were to add the prelude, as is proposed now. We would merely be authorizing the President to do what he has already done—namely, rescind the restrictions against Communist propaganda.

Therefore, if the Senate is really sincere in its determination to stop the distribution of Communist propaganda at the expense of the American taxpayer, this is the place and this is the way to do it, by defeating the Clark amendment.

I congratulate the distinguished Representative from Omaha, Nebr., Representative GLENN CUNNINGHAM, who has made such a valiant fight in this connection. I congratulate also the Senator from Connecticut [Mr. BUSH] for his constructive role in this fight.

It seems to me that of all the errors of history, this would the most serious, if the Senate were to say, "As far as we are concerned, we are willing to approve the distribution of Communist propaganda through our American mails at the taxpayers' expense."

I suspect that I have had no greater amount of mail on any other subject than this one during this session of Congress. People send in the propaganda that they have received from Communists, and say, "Why do we receive this? We do not want it. Is this what we have to pay for as American taxpayers?"

The answer is "Yes." It will continue to be "yes" if the Clark amendment is not defeated.

Now is the time to stop it. This is our opportunity to do so. We ought to look seriously at the danger from communism.

Why did we pass a resolution on Cuba the other day? It was because of the Communists. Why did we vote to give the President authority to call up reservists on an emergency basis? It was because of the Communists. Why do I now leave the floor to go to a committee meeting, there to wrestle with the problems of a multibillion dollar foreign aid bill? Foreign aid for what? It is foreign aid designed to protect the free world against the Communists.

The U.S. Senate, on a yea-and-nay vote, can affirm or reaffirm its attitude toward Communist propaganda. We cannot constantly tend to encourage the cancer of communism. We cannot continue to coddle it. We cannot retreat on every action. We cannot worry about what some Communist satellite country or some neutralist government will think about us if we pass a resolution against communism. We cannot expect to stop communism alone by calling up the Reserves, passing a pious resolution about Cuba and appropriating billions of dollars for foreign aid.

We must develop a sustained policy, a firm policy. Those supporting the Clark amendment talk about American foreign policy. If we adopt the Clark amendment, it will have the effect of letting Communist countries write the postal legislation of America, because the amendment provides that if Communist countries do certain things, the United States must do certain things. That would put the triggering off of American foreign policy in the hands of other people. There has been too much of that sort of thing already in connection with American foreign policy.

The U.S. Senate is supposed to have something to say about foreign policy. Its duty is to advise and consent. Here is a chance for the Senate to advise by stating our belief that the door ought to be shut against the uninvited Communist propaganda which is sought to be distributed at the expense of the taxpayers generally. That is the issue simply put.

Let us defeat this third attack from the same source, just as we have defeated the other two, and write a bit of history today, that the U.S. Senate means business, that it means to resist communism.

Mr. LAUSCHE. Mr. President, who has the floor?

The PRESIDING OFFICER. The time is in control of the Senator from Pennsylvania [Mr. CLARK] and the Senator from South Carolina [Mr. JOHNSTON].

Mr. CLARK. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Pennsylvania has 22 minutes remaining.

Mr. CLARK. I yield 5 minutes to the distinguished Senator from Kentucky.

Mr. COOPER. Mr. President, I intend to vote for the Clark amendment. I should like to have my reasons clearly understood, because this subject is of concern to the Nation and, of course, to all of us in the Congress.

I recognize the deep conviction of the Senators who support the committee provision, and I respect and appreciate their convictions. Last year a bill containing a provision similar to the committee amendment, and sponsored, I believe, by the Senator from South Dakota, was brought before the Senate. I remember that I raised that day the questions that I expect to raise today. After some debate, the majority leader moved to lay that bill aside.

With all due respect to the Senator from South Dakota [Mr. MUNDT] and other Senators, I do not accept the terms in which he has placed the vote that the Senate is about to take on the amendment. It has been said or indicated that we shall be voting on the question of whether or not we approve Communist propaganda coming into this country, and the dissemination of Communist propaganda through the mail. I do not approve Communist propaganda—I reject it, because I know its falsity, and its subversive purpose. And I know that everyone in the Congress feels and belives as I do, and the able Senator from South Dakota. But that is not the issue. The issue is what we can constitutionally do.

I do not approve Communist propaganda but I approve and support the Constitution of the United States. The first amendment of the Constitution provides:

> Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press.

The courts have held and great judges have said that mail is an aspect of free speech, and therefore cannot be censored.

Mr. MUNDT. Mr. President, will the Senator from Kentucky yield?

Mr. COOPER. I would prefer to yield when I have finished my remarks.

Mr. MUNDT. The Senator mentioned my name; I thought he might wish to yield.

Mr. COOPER. The Senator is correct; I yield.

Mr. MUNDT. I point out that the constitutional provisions are not violated, because the proposed legislation submitted by the commitee does nothing whatsoever to stop first-class mail. The issue is whether there is anything in the Constitution or in good conscience which would compel citizens of the United States generally to finance the distribution of Communist propaganda in this country. If one is willing to pay the postage and send it through the mail,

the proposed legislation will not apply. I think the RECORD should be clear as to that.

Mr. COOPER. I understand that argument, but I do not accept it in view of what I consider the Constitution to mean.

The committee amendment provides that mail may be detained. It provides that it may be destroyed. It provides that it may be censored. If anyone who has read the Constitution and the cases with respect to the first amendment believes that censorship of mail, detention of mail, and destruction of mail do not involve the first amendment, I do not believe he has studied very seriously the first amendment to the Constitution. The courts have laid down the standards under which free speech can be restrained—but not in the terms of the committee provision.

I have received Communist propaganda through the mail. Curiously enough, I have not received it from abroad but from New York City, where it was printed. I have received Communist propaganda on such subjects as Khrushchev's position on Berlin. The information in the propaganda was false.

I am aware of the serious situation which confronts the country as respects the cold war.

I know there is always the possibility that the cold war may lead to a hot war. And difficult situations in the past have resulted in legislation contravening the Constitution of the United States. We remember the Alien and Sedition Act. During the Civil War, an effort was made to place certain areas of Northern States in the theater of operations, and thus within the jurisdiction of military courts, to suppress anti-Union opinion. If I had lived then, I would not have liked anti-Union opinion, because my family, which lived in the Southern State of Kentucky, supported the Union, and served in the Union Army. Yet the Supreme Court held that the action of the Federal Government was unconstitutional.

I believe this question of Communist propaganda should be referred to the Committee on the Judiciary, so that the lawyers on the committee can consider it.

The PRESIDING OFFICER. The time of the Senator from Kentucky has expired.

Mr. CLARK. I yield an additional minute to the Senator from Kentucky.

Mr. COOPER. The question ought to be seriously considered by the administration to determine if proper and constitutional action can be taken. I understand the United States is a party to the Postal Convention, which permits the entry of mail from Communist countries. I do not know whether the convention can be denounced in a way that the entry of propaganda can be excluded from entering into the United States.

This is a subject which, because of the constitutional questions involved, requires recommendations to the Congress by the administration; and if the administration will not recommend, by the thorough study of the Committee on the Judiciary rather than the Committee on Post Office.

But I say that even considering the serious position in which we find ourselves with respect to the Soviet Union, to chip away at the first amendment of the Constitution is not a good thing to do. We must adhere to the Bill of Rights.

I should like to comment further. I do not believe I have made many statements referring to myself on the floor of the Senate. However, I am sure that I will receive a large amount of mail on this subject, and all will not like my remarks. Just as has the Senator from South Dakota, I, too, have received much mail on it already. And some mail places this question on the basis of "toughness" on communism.

Like many who write, I, too, am a member of the Veterans of Foreign Wars and of the American Legion. I have served overseas as have thousands of fellow Americans.

I do not like to speak personally, but as a member of the U.S. delegation to the United Nations in 1951, I represented the United States on the issue when the first condemnation of the Soviet Union in the United Nations—and perhaps the only one—was secured, for its action against Nationalist China. I fought the proposal through to the end.

After World War II, as a captain in Germany, I urged General Patton to issue an order to prevent the displaced persons in Germany—whom the Soviet representatives were attempting to force, against their will, to return to Russia—from being forcibly separated from their own country, their spouses and children of other than Russian birth and returned, as the Soviet Union insisted. I took it in my hands as a captain to oppose my superior officers and insist that the question go to General Patton, and was upheld and was cited for my action in so doing.

This is not a question of "toughness." We are dealing with the Constitution. I am strong for the Constitution of the United States.

Mr. JOHNSTON. Mr. President, I yield 3 minutes to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, I do not subscribe to the amendment offered by the Senator from Pennsylvania. The plan of operation proposed by the committee's version of the bill would reinstate the practice which was in effect during the Truman administration and the Eisenhower administration. When that practice was in effect, there was no disturbance and no complaints came from any source—especially no complaints about a lack of strength. But suddenly it was decided to change the plan and to allow the U.S. postal service to deliver Communist propaganda to American citizens. Since that time, difficulty has arisen. The complaints have been numerous. People have asked, "Why am I compelled to receive mail of a Communist propaganda type when I have not asked for it?" The citizen then finds that that mail has been carried practically free of charge. Then he says, "Not only am I forced to receive this unwanted mail, but as a taxpayer I am compelled to pay a part of the carrying charge." That is a rather forceful argument, and I do not think it can be answered.

With respect to the constitutional issue involved, every Communist propagandist can have the use of our postal service by mailing his propaganda first-class and paying that charge. Does not that give to every person a full right to enjoy his constitutional privileges? He is told, "You may use the mail and you may send Communist propaganda if you send it by first-class mail."

The PRESIDING OFFICER. The time yielded to the Senator from Ohio has expired.

Mr. LAUSCHE. Mr. President, may I have 1 more minute?

Mr. JOHNSTON. I yield 1 more minute to the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 1 more minute.

Mr. LAUSCHE. Mr. President, what is wrong with requiring the Post Office Department to impound Communist propaganda, notify the addressee that it has been impounded, and inform him, "If you want it mailed to you, let us know, and we will deliver it to you?"

I see nothing wrong with this whole plan; and for that reason I will vote against the Clark amendment.

Mr. GOLDWATER. Mr. President, will the Senator from South Carolina yield to me?

Mr. JOHNSTON. I yield 2 minutes to the Senator from Arizona.

The PRESIDING OFFICER. The Senator from Arizona is recognized for 2 minutes.

Mr. GOLDWATER. Mr. President, I fully respect the position of the distinguished Senator from Kentucky [Mr. COOPER] in upholding the constitutional right of the people. But I point out that Congress also has the right to declare war. Today we are in a different kind of war than we have ever been in before; we are engaged in a so-called cold war, in which propaganda probably plays the most important part.

I hold in my hand a piece of so-called Russian literature entitled "Information Bulletin No. 5, Soviet Peace Committee." One paragraph of it is interesting, as it relates to the propaganda which is placed in the hands of American citizens, without any charge being made for delivering it by our mail service:

> Havana will soon have a monument, the Dove of Peace, in place where the monument to the American cruiser *Maine* had stood. This is highly symbolic of present-day Cuba; henceforward, instead of the rapacious American eagle, a snow-white dove will soar over beautiful Havana.

In addition, the pamphlet contains a rather vicious attack upon me. However, I shall not read that into the RECORD.

They have a right to their opinion; but I have enough trouble being a Republican in a country which has a dominance of Democrats, without having foreigners attack me in publications which

are carried in this way by the American postal service.

All the indications we can get show that the Communists refuse to allow free circulation and mailing privileges in their country to American publications. I have before me a statistic which shows that the Saturday Evening Post sends only 10 copies to Russia.

I do not think the bill as reported violates any constitutional right. I think the bill as reported by the committee is in line with the right and duty of Congress. If we are to sit back and continually allow Russian propaganda to seep into our country and into other free countries, without the Soviets giving us any opportunity to do the same with our propaganda, I think that situation in itself requires the passage of this bill as reported; and I, for one, will vote against the Clark amendment.

Mr. PELL. Mr. President——

Mr. CLARK. I yield 2 minutes to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized for 2 minutes.

Mr. PELL. Mr. President, I rise to support the Clark amendment, and to submit one thought which I think has been lost sight of; namely, that thus far the argument is based on the thesis that Communist printed propaganda is effective.

To my mind, this is not correct. It is, in fact, most ineffective.

Mr. President, based upon my own experience over a period of years in the Foreign Service in the Eastern European area and as an officer of the International Rescue Committee, actually concerned with opposing Soviet redefection efforts, when I examined many pieces of Communist propaganda, I was most struck with its ineffectiveness, trashiness, and poor presentation. I believe that no matter what may be the flow of Communist propaganda, we do not pay a compliment to our people if we think that the opinion of our American citizens would be affected by it.

In addition, it is important to remember that we usually come out on top in any exchange with the Communists whether in regard to propaganda or otherwise. An excellent evidence of this point is that people flee from the Communist countries to our country, but very few indeed go from our country to the East.

Mr. CLARK. Mr. President, it is argued that this provision of the bill is constitutional because the first-class rate can be paid. I am startled to find that the Senator from Ohio, who is also an excellent judge, would make such an argument, which seems to me to be so patently unsound, on a constitutional basis.

Mr. HART. Mr. President——

Mr. CLARK. Mr. President, I yield 2 minutes to the Senator from Michigan [Mr. HART], who wishes to speak on this subject.

The PRESIDING OFFICER. The Senator from Michigan is recognized for 2 minutes.

Mr. HART. Mr. President, it was not my intention to speak on this question; but I was moved, as I think all other Senators were, by the remarks of the Senator from Kentucky [Mr. COOPER].

I, too, heard the distinguished Senator from Ohio make his argument that because a certain rate can be paid by those who wish to enjoy the privileges of the Constitution, it is all right to deny the lower rate to certain types of mail. I understand that the mail service for such material is provided at rates which are subject to an international convention. I am not certain what the rate is in this case.

It seems to me that the amendment of the Senator from Pennsylvania gives us an opportunity to provide circumstances which will require this sort of protection. I think it would be tragic if the day were to come when we would have to shut off from the people of this country printed material coming from another country.

This amendment would permit us to avoid raising what I think is a very serious constitutional question in connection with the case made by the Senator from Kentucky. Is not this the "meat and potatoes" of the first amendment? Is not ours the society which argues that ideas are very powerful and that the exchange of ideas is essential if the truth is to be discovered? Yet we would shut off, by means of the bill as reported by the committee, the expression—at least by other than first-class mail—of ideas with which we do not agree.

If the Clark amendment is rejected, I think the Senate will be making possible the passage of a bill which will raise a very serious constitutional question.

Mr. BUSH. Mr. President——

Mr. CLARK. Does the Senator from Connecticut wish to have some time yielded to him?

Mr. BUSH. I should like to have about 1 minute.

Mr. CLARK. I shall need all the time which remains under my control.

Mr. JOHNSTON. I have only 2 minutes remaining.

Mr. CLARK. Mr. President, I ask unanimous consent that the time available to the Senator from South Carolina be extended by 2 minutes, in order that he may yield to the Senator from Connecticut.

The PRESIDING OFFICER. Is there objection? Without objection, it so so ordered.

Mr. JOHNSTON. Mr. President, I yield 2 minutes to the Senator from Connecticut.

Mr. BUSH. I thank the Senator very much.

I should like to direct my comment to the Senator from Pennsylvania, especially because his amendment is under discussion.

There is not a great deal of difference between his amendment and the committee's provision. The only difference is that the amendment of the Senator from Pennsylvania would permit the President, rather than the Congress, to judge whether such a requirement should be made because the national security was involved or for any other reason. Implicit in the amendment of the Senator from Pennsylvania is the fact that it may be necessary, in the opinion of the President, for any reason, to restrict the flow of Communist propaganda, as outlined in the committee amendment. So, really, he is not arguing philosophically about this question, but only politically, as to where the power should lie to do so, with the President or with the Congress.

I say again that it is not a constitutional question, with all due respect to my dearest friend, the Senator from Kentucky. I cannot agree that the restriction of Communist propaganda proposed in the bill is designed to breach freedom of speech or of the press, as guaranteed by the Constitution.

Mr. CLARK. Mr. President, I yield 3 minutes to the Senator from Minnesota [Mr. MCCARTHY].

The PRESIDING OFFICER (Mr. PELL in the chair). The Senator from Minnesota is recognized for 3 minutes.

Mr. MCCARTHY. Mr. President, I support the amendment offered by the Senator from Pennsylvania. First, I should like to respond to the Senator from Connecticut. I think there is a clear case for giving this authority to the President. Some Members of the Senate seem to support the committee's position on the ground, not that there is any danger to this country now, not that the people are being affected by Communist propaganda now, but that there might come a time when they could be. If that is a possibility—and I suppose no one can say there is not that possibility—the Senator from Pennsylvania admits the possibility of its happening and makes this concession to them.

The Senator from Pennsylvania, in offering the amendment, has indicated he does not feel this lack of confidence. He would like to have this whole section stricken from the bill.

Every day we talk about how we have effectively met the military challenge of communism. Every day we hear how we are meeting the economic challenge. I think we are meeting the political challenge of the Communists. Every day we talk about the superiority of our ideology. We say if only we could get the people to hear our story, they would accept our position; that if we could only get the people of the world to learn about our ideology and our ideas, we would have no problems.

Today we are saying we cannot trust the American people to screen what is true from what is false, as presented by Communist Russia.

A vote against the amendment of the Senator from Pennsylvania [Mr. CLARK] would be a clear indication of lack of confidence in the American people; beyond that, a lack of confidence in American education, a lack of confidence in every institution that has been established in this country to help form the minds and wills of the people, a basic lack of confidence in the American way, a lack of confidence in the Constitution of the United States and the traditions and principles which have developed since the Constitution was adopted, and

I think, too, an expression of lack of confidence in the President.

I hope the Clark amendment will be adopted.

Mr. CLARK. Mr. President, how much time have I left?

The PRESIDING OFFICER. The Senator from Pennsylvania has 9 minutes remaining.

Mr. CLARK. I yield myself 5 minutes.

Mr. President, as this debate progresses, it seems to me clear that it concerns itself with three questions.

The first is, Is American propaganda in Russia more effective than Russian propaganda is in the United States? I believe it is. I believe we have made great inroads on censorship behind the Iron Curtain in recent years.

My belief is buttressed by testimony given to the committee by the Chief of the U.S. Information Service, Mr. Murrow, whose job it is to knew the answer to that problem. My contention is also buttressed by the testimony given by the Assistant Secretary of State for European Affairs, Mr. Tyler, who in turn said his views coincided with Ambassador Llewellyn Thompson, who has just come back to this country after 5 years in Russia. These experts tell us American propaganda in the Soviet Union is very effective; that it is being delivered in increasing volume.

Mr. President, every Member of the Senate should know that the American people are not being fooled by any of the claptrap that is being sent into this country by Russia. Fifteen million pieces were intercepted under the censorship system in effect here from 1951–61. Was our security enhanced by these actions. Of course not.

I come back to what I said previously—that one candle in the dark room of the Iron Curtain countries lighted by the magazine Amerika, by material being sent by American citizens or agencies into Russia and other Iron Curtain countries, is worth far more than propaganda sent into our country, which is paid for, incidentally, under international postal rates, which, in my opinion, is doing nothing to subvert any group of our American citizens.

Unless we give the President the authority which would be given him under this amendment, it is very likely that we shall invite retaliation by Russia, China, Bulgaria, Rumania, and other countries to prevent propaganda from going into their countries from this country. That would be a great loss to America in the pursuit of its foreign policy objectives.

This debate has established pretty clearly that American propaganda is better than Russia propaganda, that it is doing more good than Russian propaganda is doing harm, and that we would be foolish indeed if we in the Senate voted to cut it out without giving the President of the United States, our Commander in Chief, the right, which he has under the Constitution, to direct our foreign policy.

The testimony before the committee was clear that our foreign policy would be adversely affected if the Senate committee version were to pass without the amendment which we now have under consideration.

The second question involved is that of the national security interest. It is perfectly clear, from the testimony we heard, that the national security interest would be adversely affected if we were to cut off propaganda going behind the Iron Curtain by inviting the retaliation which would be quite sure to come if we adopted the committee proposal. That testimony came from all concerned. The record is replete with it.

The third question which has developed in debate is the impossibility of administering the provisions of the committee amendment at all. I have adverted to it at such length before that I shall not again speak about the unenforceable provisions in the Senate version of the bill. There is hardly a Senator who does not recognize that situation. I suggest that making a pious declaration by enacting a law which we know cannot be enforced is a foolish thing for us to do.

Finally, as the Senator from Michigan has pointed out, the provision is clearly unconstitutional.

I ask the Senate to give the United States of America, through its President, the opportunity to continue to pursue effectively our sound long-range foreign policy interests.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CLARK. I am prepared to yield back all except 2 minutes of my time.

Mr. JAVITS. Mr. President, will the Senator yield me 1 minute?

Mr. CLARK. I yield 1 minute to the Senator from New York.

Mr. JAVITS. Mr. President, I was delayed in a plane and could not reach the Chamber in time for the preceding vote. I announce myself as for the Clark amendment.

I think we should not let this bill pass in the present form. I think it is very unwise because of the fact that it shows some lack of confidence in our own people. I think we have every reason for confidence in the ability of the American adult and the American young person to screen what is right from what is wrong.

There was an example of that in New York recently in the case of Sir Oswald Mosley. We hate everything he said. Nevertheless, he was permitted to say it, because that is the kind of stimulating liberty we have in this country. It seems to me that that is one of the things that will toughen up, and not soften, America.

For those reasons, I would have voted for the Clark amendment. It is for those reasons that I shall vote for the pending amendment, for I consider it an assertion of confidence in my fellow Americans.

Mr. JOHNSTON. Mr. President, I have listened to the various Senators speak on this particular amendment. I call attention to the fact that under the Truman administration and under the Eisenhower administration there was a screening of Communist political propaganda. The program was stopped. There was a reason for stopping it. I do not think it was a good reason, but court action was threatened.

I think the provision in the bill takes the burden off the President and does what we think is right at the present time.

That is the reason why the committee took this attitude. It is not that we do not trust the President. I do not think we should shovel on him all the responsibility to act under all the circumstances.

If the pending amendment is agreed to, we might as well wipe out the amendment in respect to Communist political propaganda, for that would leave the situation where it is today.

The President has a right to act, not only under law, but under his powers as President of the United States. That could be questioned, I realize, but he has power in this regard.

If we put the language which has been proposed in the bill, we would impose on the President a responsibility to act.

The language which is in the bill has been discussed with the White House. It has been discussed with the Post Office Department. They say they can live under the particular language which is in the bill.

The amendment that is proposed now known as the Clark amendment, would leave the situation just as it is now. For that reason I think the Senate ought to take the responsibility and say that we wish to blot out the delivery of Communist political propaganda through the U.S. mails.

Mr. CLARK. Mr. President, I yield the remainder of my time to the distinguished senior Senator from Minnesota, the majority whip [Mr. HUMPHREY], who, shoulder to shoulder with the majority leader, is supporting this amendment.

The PRESIDING OFFICER. The Senator from Minnesota may proceed.

Mr. HUMPHREY. Mr. President, how much time is there remaining?

The PRESIDING OFFICER. Three minutes.

Mr. HUMPHREY. Mr. President, I wish to say to the chairman of the committee, first, that the language in the bill is much better language than has been prepared on this subject in other instances. I know the purpose of that language is to give some flexibility and to not seal off the movement of mail or seal off what one might call the exchange of ideas, or even propaganda. It is a responsible amendment.

I appeal to my colleagues to remember that when we deal with matters relating to other countries, when we deal with matters relating to international agreements, we are dealing with matters affecting our Nation's foreign policy.

The President of the United States is the spokesman of this country in the field of foreign policy. We have no other. There can be no individual spokesman in the Congress. There are 100 equals in the Senate. Every Member of the House of Representatives is an equal. There are 437 equals in the House of Representatives. Surely we should not try to design a program in

which the Congress itself feels it can conduct foreign policy.

The amendment offered by the Senator from Pennsylvania is a very sensible amendment. It states, very candidly, that, "When the President of the United States determines that it is in the national security interest because of the failure of any Communist country or countries to handle mail from the United States in accordance with international postal agreements or for any other reason" the President may set in motion the formula and the procedure designed in the bill. In other words, we would say to the President. "Mr. President, we do not want to complicate your life any more than it is. We do not want to add burdens on you in terms of restraints and restrictions in the conduct of our foreign policy."

The President speaks for the Nation. If he finds that the national security interest is not being served by the manner in which mail is being handled by other nations, particularly Communist bloc countries, or if he finds that the national security interest is not being served because there is a failure on the part of Communist bloc countries to handle the mail according to international covenants nad agreements, the President can authorize and direct that the procedure outlined in the bill shall go into effect.

I think that is sensible. That is why I support the amendment offered by the Senator from Pennsylvania.

The Senator has made a proposal which is in the national interest, which will protect the national security, and will see to it that if agreements are not kept we shall reciprocate.

The PRESIDING OFFICER. The time has expired.

Mr. HUMPHREY. I have heard other Senators say there has been no reciprocity. I am for reciprocity. I want the President to have that authority.

The PRESIDING OFFICER. All time has expired.

The question is on agreeing to the amendment offered by the Senator from Pennsylvania. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Indiana [Mr. HARTKE], the Senator from Washington [Mr. MAGNUSON], and the Senator from Arkansas [Mr. MCCLELLAN] are absent on official business.

I further announce that the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. HICKEY], and the Senator from Missouri [Mr. LONG] are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. GRUENING] would vote "yea."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN] is absent on official business.

The Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Indiana [Mr. CAPEHART], the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senator from New Hampshire [Mr. COTTON], the Senator from Iowa [Mr. MILLER], the Senator from Kentucky [Mr. MORTON], and the Senator from Texas [Mr. TOWER] are necessarily absent. If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Indiana [Mr. CAPEHART], the Senator from Kansas [Mr. CARLSON], the Senator from Iowa [Mr. MILLER], the Senator from Kentucky [Mr. MORTON], the Senator from Kansas [Mr. PEARSON], and the Senator from Texas [Mr. TOWER] would each vote "nay."

The result was announced—yeas 33, nays 48, as follows:

[No. 281 Leg.]

YEAS—33

Bartlett	Humphrey	Moss
Burdick	Jackson	Muskie
Byrd, W. Va.	Javits	Neuberger
Carroll	Kefauver	Pastore
Case	Long, Hawaii	Pell
Church	Mansfield	Randolph
Clark	McCarthy	Smith, Mass.
Cooper	McGee	Symington
Engle	McNamara	Williams, N.J.
Hart	Metcalf	Yarborough
Hayden	Morse	Young, Ohio

NAYS—48

Allott	Fong	Murphy
Beall	Goldwater	Prouty
Bible	Hickenlooper	Proxmire
Boggs	Hill	Robertson
Bush	Holland	Russell
Butler	Hruska	Saltonstall
Byrd, Va.	Johnston	Scott
Cannon	Jordan, N.C.	Smathers
Chavez	Jordan, Idaho	Smith, Maine
Curtis	Keating	Sparkman
Dirksen	Kerr	Stennis
Dodd	Kuchel	Talmadge
Douglas	Lausche	Thurmond
Eastland	Long, La.	Wiley
Ellender	Monroney	Williams, Del.
Ervin	Mundt	Young, N. Dak.

NOT VOTING—19

Aiken	Fulbright	McClellan
Anderson	Gore	Miller
Bennett	Gruening	Morton
Bottum	Hartke	Pearson
Capehart	Hickey	Tower
Carlson	Long, Mo.	
Cotton	Magnuson	

So Mr. CLARK's amendment was rejected.

Mr. JOHNSTON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HOLLAND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RANDOLPH. Mr. President, the points of controversy centered in H.R. 7927 have occupied considerable time of the Senate in committee and in floor debate. The so-called Cunningham amendment has attracted the attention of news and editorial writers, and informed citizens throughout the Nation. The bill, as reported from the Committee on Post Office and Civil Service, contains provisions authorizing the interception and censorship of Communist political propaganda, a condition which, while on the surface appearing to be beneficial to this Nation, could ultimately bring irreparable harm.

The modified Cunningham provision which most Senators seek to embrace in H.R. 7927, while in my view, is more reasonable than the House measure, provides that all mail matter, with the exception of sealed letters, which originate in Iron Curtain countries and which are determined by the Secretary of the Treasury to be Communist political propaganda, shall not be delivered unless the addressee gives notification of his desire to receive such material.

It is my firm belief that such legislation is based on the assumption that the citizens of the United States require censorship to protect them from foreign ideas and reflects an appalling lack of faith in the most basic principles underlying our free society. For these reasons I firmly oppose the proposal.

In its issue of June 1, the New York Times published an editorial entitled "Two Strikes on the Postal Bill" stating that such censorship "represents the kind of pseudo-anti-Communist activity that actually hurts America's cause by aping some features of the very Communist totalitarianism we oppose." Mr. President, I concur in this expression.

Further, Mr. President, the proposed Senate amendment to H.R. 7927 inadequately defines Communist political propaganda as "any expression reasonably adapted to prevail upon, indoctrinate, convert, induce, or in any other way influence a recipient or any section of the public within the United States with reference to political or public interests, policies, or relations of a government of a foreign country or a foreign political party or with reference to the foreign policies of the United States or promote in the United States racial, religious, or social dissensions."

Deputy Attorney General Nicholas deB. Katzenbach has strongly criticized such a definition in a statement before the Senate Post Office and Civil Service Committee, of which I am privileged to be a member.

Mr. Katzenbach affirmed that—

> It is highly probable that all newspapers or magazines of general circulation published in Communist-bloc countries would fall within this definition. It might also cover newspapers in neutral or friendly countries which take a position on any particular question consistent with the position taken by a Communist country. It might even cover publications in which statements from Communist sources are reprinted for their news value * * *. The possibilities for arbitrary application in interpretation of this standard are obvious.

It occurs also that some manner of administrative hearings are necessary prior to any determinations by the Secretary of the Treasury. The demands of departmental litigation and judicial review must be added to the burdens of enforcement at the initial level, and procedures for making these first determinations will of necessity be quite lengthy. Indeed, Deputy Attorney General Katzenbach has expressed doubt that such measures could be practically applied.

Another flaw in this provision becomes apparent when we recognize that its adoption would separate American citizens into two distinct categories: those courageous enough to indicate their interest in receiving Communist political propaganda and willing to have their names placed on an official Government

list, and those persons who are too timid to undergo such regulation. In my remarks on yesterday I stressed this fact.

The New York Times commented editorially on this question in its September 25 issue, as follows:

Should Congress write into the statutes of this country a system of political censorship and screening of the mails? This is the real issue posed by one section of the new postal-rate and pay-raise bill reported out yesterday by the Senate Post Office and Civil Service Committee.

The Senate Committee was seeking to meet the problem raised by the House-approved Cunningham amendment, which would go far toward preventing American citizens from receiving mail from the Soviet Union and other Communist countries. The Senate version is more reasonable, since it contains important exemptions. But it still declares, in effect, that there are two kinds of Americans: those who can be trusted to receive any kind of mail from the Communist world, and those who cannot. The Senate provision, like the Cunningham amendment, is probably unconstitutional, and certainly contrary to the most fundamental traditions of our country.

Mr. President, there are certain exemptions delineated in the proposed legislation intended for those who work for U.S. Government agencies or educational institutions who may require access to Communist political propaganda. However, there are many individuals in this country who continually make productive use of materials from Iron Curtain countries, and who do not fall within the exemptions outlined. For example, a retired Coast Guard officer with the unique avocation of studying various navigational problems confronting the Russian fleet would be prevented from receiving required source material contained in Soviet periodicals, and thus would be unable to carry on his studies. This is but another evidence of the inadequacy of the Senate amendment to H.R. 7927.

Mr. President, it has been gratifying to note that some citizens and certain news media in West Virginia remain true, as I see it, to the national interest, and informed as to the possible impact of this proposed measure on the foundation of our American way of life. In a compelling editorial of February 14, 1962, the Charleston (W. Va.) Gazette commented effectively on the adverse effect which would derive from adoption of H.R. 7927. The Gazette asserted:

We hardly will have freedom of speech and freedom of the press if the people are to be limited to selected subjects in their discussions and reading.

We say little for the American system if we fear the people will abandon it, and adopt communism, just by having access to Communist propaganda.

It seems plausible that some people might be won over to communism, or become sympathetic toward it, by the very fact that our Government prohibited them from knowing what the Communists were saying.

Included in a letter I received from the West Virginia Library Association, Huntington, W. Va., are the following forthright and pertinent statements regarding H.R. 7927:

The fact that no increases for the educational and library materials rates were included is very commendable but the Cunningham amendment should not be included. This amendment could have a very adverse effect on research libraries. If this legislation were really enforced there would be times when even the New York Times would not be delivered because it contained a speech of Khrushchev or other Communist leaders. Interlibrary loan between research libraries of source materials on communism could even be banned.

Our students here at Marshall must have these materials in order to understand the Communist methods of gaining footholds in our country. Such titles as "Current Digest of the Soviet Press" included translations of the Soviet press and which could be called propaganda as it is the information that the Communist government gives to the people. To be well informed we must understand what the Russian people are being told of world events in their press. This publication could very well be prohibited from being carried in the mails under the Cunningham amendment.

As you can see this is a very dangerous amendment, please explain to your colleagues the importance of leaving the Cunningham amendment out of the bill.

From a letter sent by the American Association of University Professors come the following thoughts:

In effect, the amendment would result in the exclusion from the mails of material which the Attorney General held to be "Communist political propaganda." The AAUP views this amendment as being harmful to academic research, public affairs, and education since it would seriously impair the scholarly study and analysis of arguments being used by the Communists in any worldwide propaganda campaign.

An official of the Huntington Public Library writes:

The Huntington Public Library receives several major reputable publications, which in the past frequently have included items which conceivably might be considered Communist propaganda. Newspapers such as the New York Times and the Christian Science Monitor have carried, and undoubtedly will carry, texts of statements by Communists, both foreign and domestic, and indeed, such statements have been read into the CONGRESSIONAL RECORD, which we also receive. Should such publications come within the provisions of such an amendment as this, the library's provision of source materials on economic and political ideologies, could be seriously obstructed.

With your awareness of libraries and library needs, you may well be aware of the threat to us by the so-called Cunningham amendment. As a member of the Senate Post Office Committee, you can continue your help to West Virginia libraries by seriously considering the effects of the amendment, and, I hope, urge work for its defeat.

Mr. President, on August 17 I received a letter from William P. Fidler, general secretary of the American Association of University Professors, which summarizes one of the principal flaws in H.R. 7927 and the Senate amendment thereto, with regard to screening from the mails all Communist political propaganda. I quote:

The reports to us from research scholars and teachers throughout the community of higher education—whatever their type of institution or their particular discipline—call attention to the fact that these provisions would hamper considerably the study, knowledge, and understanding of key developments and position in the Communist-dominated countries, and, as a result of their broad scope of Communist program and activity in other countries as well. Again and again, these reports emphasize, as a matter of deep concern to the general, as well as to the academic community, that this would happen at the very time and under the very conditions when it is so basic that we be and keep fully informed as to the developments and position of Communist countries and Communist activity in other countries.

Yet another objection to this proposed approach becomes apparent when we consider that substantial quantity of American literature and reading material is made available behind the Iron Curtain through the joint efforts of the U.S. Information Agency, and officials of the various Communist countries. Senator CLARK and I stressed this fact last evening in debate. Such printed matter is distributed by the government of the nations in question, and does much to create increased understanding of the American way of life, and respect for our principles. Testimony given by U.S. Information Agency Director Edward R. Murrow before the Post Office and Civil Service Committee indicates that the influence of these books, pamphlets, and magazines is considerable, and represents a significant portion of the mission of his Agency. The senior Senator discussed this development on yesterday in this forum.

Is it not reasonable to assume, Mr. President, that this privilege of free exchange of information allowed by the Communists would swiftly be withdrawn were we to ban their literature from our mails? Thus we would be denied an effective and straightforward means of extending the message of truth and freedom to enslaved peoples who are enduring Communist domination.

It is worth noting also, that the Senate version of H.R. 7927 would revive a program which has already been tried in this country, and which was ended in 1961 by order of President John F. Kennedy.

From 1950 until March 17, 1961, the Post Office seized books, magazines, and other non-first-class mail which came from behind the Iron Curtain. The program was widely denounced by scholars and others interested in studying life in Communist countries, and was attacked by other Americans who were justly concerned about what they considered a violation of their right to read and think as they wished. This was a point I made during my earlier remarks during discussion on this vital subject.

During the term of office of Dwight D. Eisenhower, the discontinuance of mail interception was unanimously recommended by the planning board of the National Security Council. Further, and most significantly, in announcing that mail screening and censorship was to be stopped, President Kennedy noted that responsible officials of the Departments of State, Treasury, Justice, and the Post Office Department had found the program to be without "useful intelligence function." I spoke of this finding on yesterday.

A news story in the New York Times of September 25, 1962, states:

The Senate committee's version of the postal rate bill would revive a controversial program, ended by President Kennedy last

year, of intercepting Communist propaganda in mail from abroad.

From 1950 until March 17, 1961, the date of the Kennedy order, the Post Office seized books, magazines, and other non-first-class mail coming in from behind the Iron Curtain. About 15 million pieces of mail a year were intercepted.

Until 1958 the Post Office did not inform addresses that their mail was being withheld. Then it began to advise them that they could get the foreign political propaganda if they returned a card saying they wanted it.

The program drew attack from scholars and others who complained about interference with studies of life in the Soviet Union and other Communist countries. The program was also denounced as a violation of Americans' freedom to read and think as they wish.

NO USEFUL FUNCTION SEEN

In ending the program, Kennedy said the State, Treasury, Justice and Post Office Departments had found it to be without "useful intelligence functions."

During the Eisenhower administration, he notes, the planning board of the National Security Council unanimously recommended discontinuance of the mail interception.

Mr. President, I reiterate my opposition to the proposed Senate amendment to H.R. 7927, and emphasize my belief that such legislation would not be in the best interests of the citizens of the United States. The measure is probably unconstitutional; it is very probably unworkable; it would doubtless cause the Communists to withdraw the U.S. Intelliency Agency's presently held privilege with regard to distribution of our own literature; it would work extreme hardship and detriment upon those scholars and other citizens who study facets of life behind the Iron Curtain; and finally, and perhaps most important, mail censorship represents a dangerous departure from our traditions as a free society wherein men and women can think as they choose.

For my part, I am confident of the ability of my fellow Americans to withstand the blandishments of Communist ideology, and to gain strength of conviction in our cherished mode of life through a free exchange of ideas.

I have the considered conviction that the Senate has voted unwisely. There will be an undesirable impact by the action on the proposal in question. Let us be careful that we do not erect a wall—of a different type to be sure—but a barrier nevertheless against the basic concepts of freedom and justice. I feel deeply that we cannot strengthen our Republic by the means indicated in the rollcall just completed.

Mr. HOLLAND. Mr. President, will the chairman of the committee yield so that I may ask him a question?

Mr. JOHNSTON. I yield.

Mr. HOLLAND. I should like to address a question to the chairman of the committee who is handling the bill on the floor. There is a provision in existing law, in the Farm Credit Act, to the following effect:

Provided, That the salary of not more than three positions of deputy governor each shall be fixed by the board at a rate not exceeding the maximum scheduled rate of the General Schedule of the Classification Act of 1949, as amended.

Earlier in the year the Farm Credit Board understood that the proposed legislation might repeal that particular provision. I should like to ask the distinguished chairman of the committee what the situation would be with respect to that particular provision of existing law under the proposed legislation we are considering today if it were enacted into law.

Mr. JOHNSTON. That particular act is still in existence. We do not affect it in any way. We leave it exactly where it is and where it has been.

Mr. HOLLAND. I thank the distinguished chairman. The provision relates to deputy governors of the Farm Credit Administration, who are paid by the Farm Credit Administration. This salary had to be fixed at that level before appropriate personnel to fill these positions could be obtained.

Mr. JOHNSTON. That it true. That is why we have left it that way.

Mr. HOLLAND. I thank the chairman.

Mr. LAUSCHE. Mr. President, I offer an amendment, which would change lines 6, 7, and 8 on page 33 of the bill and line 19 also on page 33.

The bill as now written reads:

Federal salary rates shall be comparable with private enterprise salary rates for the same levels of work.

My amendment would change the language so as to read that the Federal salary rates shall be comparable with rates paid by private enterprise, and by municipal, county, and State governments. Instead of the Federal rate being comparable only to the rate paid in private enterprise, I would make it comparable to the average rate paid by private enterprise, and county, municipal, and State governments.

To achieve this, two sections of the bill must be modified. These are sections 502 and 503. I send the amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. PASTORE. What would be the situation in the District of Columbia? It would mean would it not, that the people in the District would be making twice as much as the people of the State of Ohio.

Mr. LAUSCHE. I assume that we must achieve a general application, and that we cannot expect to have perfection. That is the general experience in the enactment of all laws. However, I submit that it is wrong to have the Federal rate compared only to private enterprise, and not to the rate paid by Rhode Island, by Providence, by Cleveland, and by Ohio, or Montana.

Mr. PASTORE. I realize that, but the Senator's answer is not responsive to my question. The Senator admits, does he not, that a different situation exists in the District of Columbia? The formula will not apply.

Mr. LAUSCHE. If it should be modified further, that can be done. But basically, I declare the principle that a comparison cannot be made only with private enterprise. The comparison ought to be with the rates which other governments are paying, and not merely what private enterprise is paying. That is the way the rate should be determined, if it is desired to be logical.

Mr. PASTORE. I understand the Senator's argument, but I again say that there will be defections, so far as the District of Columbia is concerned, where most of the Federal employees are employed. So we would be using a sledge hammer to drive in a little tack.

Mr. LAUSCHE. My answer is that we are responsible for the inequality. We are responsible for the fact that the Federal employees who work in the District of Columbia are getting many times more than the pay which is received in the States of the Nation. Congress is responsible for that. We have been loose. What I seek to do is to move along a path which will be the right one for all.

The Senator from Rhode Island may not agree with the course I am proposing; but if the Federal Government is to pay rates which are comparable with those paid by private enterprise, I respectfully say, as I pointed out yesterday, that pipefitters and plumbers in the San Francisco area are now earning $7.50 an hour by agreement. I have checked that information, and my statement is correct. Are all pipefitters and plumbers who do Federal contractual work or who are employed by the Federnment to be paid $7.50 an hour? That is the rate which is paid to such workers in the San Francisco area for a 39-hour week.

On that basis, if such employees in the Federal Government worked 2,000 hours, they would earn $15,000, with the Federal taxpayer paying the bill. That is why I say it is wrong to make the comparison only with the rates paid by private enterprise. If a comparison is to be made, we ought to ascertain what is paid the civil service workers of Ohio or Rhode Island.

Mr. MANSFIELD. Mr. President, would the Senator from Ohio be agreeable to a unanimous-consent agreement on his amendment?

Mr. LAUSCHE. Mr. President, I told the majority leader that I would agree to a unanimous-consent request; but I am not yet prepared to make an agreement as to time.

Mr. ROBERTSON. Mr. President, will the Senator from Ohio yield

Mr. LAUSCHE. I yield.

Mr. ROBERTSON. Does the language of the Senator's amendment contemplate fringe benefits, or only the actual money paid?

Mr. LAUSCHE. It contemplates the entire rate structure.

Mr. ROBERTSON. Including fringe benefits?

Mr. LAUSCHE. Surely; they are a part of the salary.

Mr. ROBERTSON. Including annual leave and sick leave?

Mr. LAUSCHE. Yes; they are a part of the salary.

Mr. PASTORE. Mr. President, I understand and appreciate the contention of the distinguished Senator from Ohio;

but his amendment, which was drawn up in a hurried fashion, simply will not work. I agree that no one should be paid more than he deserves, whether he works for private industry, for a State government, for a municipal government, or for the Federal Government. That applies to Senators of the United States as well as to anyone else. No one should receive a nickel more than he is worth.

The Senator's amendment, drawn up in haste, really does not solve any problems, because the majority of the Federal workers under civil service are located in the District of Columbia. The Senator's amendment does not begin to affect them.

As far as plumbers are concerned—and this subject was discussed at length yesterday—the fact is that plumbers and janitors who work for the U.S. Government do so under the blue collar formula. The blue collar formula provides that they cannot be paid more than is paid in private industry in the particular area where they work. That has been the law for many years.

To leave the impression that plumbers who work for the U.S. Government will begin to receive $7.50 an hour is ridiculous. It is ridiculous to leave that impression because most of those people work at much lower rates of pay. The actual amount which is paid plumbers, carpenters, and janitors who work for the U.S. Government does not compare with the rates of pay for similar work in private industry. I see nothing dishonorable, extravagant, or wrong in paying people who work for the U.S. Government on a basis comparable with that of private industry. Why? Because ours is a land of private industry. Our free enterprise system is the heartbeat of American progress.

When we begin to say that a person who works for his Government is not worth as much as a man who does comparable work in private industry, we are downgrading the U.S. Government, and we should not do that.

Mr. LAUSCHE. Mr. President, will the Senator from Rhode Island yield?

Mr. PASTORE. I yield.

Mr. LAUSCHE. My amendment contemplates giving full consideration to what is paid in private enterprise, but adds to that consideration a recognition of what is paid by State and municipal governments. I think that is the only comparison that can be made which will enable us to make an overall consideration of salaries in determining what the Federal Government should pay.

I subscribe to the belief that private enterprise should guide us in our determination, but so also should State and local governments.

Mr. PASTORE. Mr. President, I understand the argument of the Senator from Ohio, but I still insist that we are reaching for a headline which will read well when we begin to leave the impression that we are working today on a bill that plans to provide that a plumber who works for the U.S. Government will begin to receive $7.50 an hour. It is absolutely wrong and unfair to leave such an impression, because that is not the case. It never was and never will be. If it is sought to reach for headlines by such a suggestion, trying to down-grade the bill by unfair inference, I say an injustice will be done to many thousands of persons who work for the U.S. Government.

There is not a plumber in the United States who works for the Federal Government who even begins to reach $7.50 for several hours work, let alone for 1 hour's work.

The Senator from Ohio has referred to the rate paid plumbers in San Francisco. But what about Los Angeles? I do not know what plumbers are paid in Los Angeles. I have been to Los Angeles only twice. The last time I was there was to attend the Democratic Convention. I do not know how much plumbers are paid there.

Mr. KUCHEL. Mr. President, will the Senator from Rhode Island yield?

Mr. PASTORE. I yield to the Senator from California.

Mr. KUCHEL. First, I invite the Senator from Rhode Island to return to Los Angeles. When he does, I want him to be my guest. He will do me a great honor.

Mr. PASTORE. I could not have a better host in the State.

Mr. KUCHEL. I am grateful to the Senator.

Second, the statement of the Senator from Rhode Island is unassailably correct. I served in the government of California for a few years after World War II. I know something about the downgrading of public employees in some States of the American Union. The reason why my State of California has been so progressive is that some officials in the government of California tried to demonstrate by the rate of takehome pay of Federal employees that it was a great honor to be employed by the government of Californa. That is why the State government over the years began to suffer less and less from attrition among those who entered the State government service and then had to leave.

So far as I am concerned, the Senator from Rhode Island speaks for me 100 percent in his argument.

Mr. PASTORE. Furthermore, there is today a large number of postal employees who, in order to support their families, let alone nourish the hope of sending their children to college, as many of us in the Senate of the United States are privileged to do, must go outside and obtain for themselves extra work. Many of them must do odd jobs on the side in order to bring home sufficient money to buy the bread that is needed for the table.

It is a cruel distortion of fact if we stand on the floor of the Senate and create the impression that everyone who works for his Government is excessively paid. I think we are doing a great injustice. That is all I have to say.

Mr. KUCHEL. Mr. President, will the Senator from Rhode Island yield?

Mr. PASTORE. I yield.

Mr. KUCHEL. Mr. President, will the Senator from Rhode Island yield?

Mr. PASTORE. I yield.

Mr. KUCHEL. I come from a small town in California—at least, it used to be a small town; I suppose it is a big city now. It is Anaheim, Calif., known as Disneyland. I belong to a fraternal organization in that town, and most of my fellow townsmen also belong to it. I know a postal worker there whose wife must work, too, in order to make ends meet. I resent that situation; and when I have an opportunity to help in that situation, I am going to do so. I have an opportunity to do that today, by means of my vote on this proposed legislation.

The PRESIDING OFFICER. The amendment of the Senator from Ohio will be stated.

Mr. LAUSCHE. Mr. President, I am not asking that my amendment be considered now. I merely sent it to the desk, to be printed.

The PRESIDING OFFICER. Very well.

Mr. LAUSCHE. Mr. President, the Senator from California has referred to the salaries paid in the States. I submit that my amendment contemplates giving full recognition, in connection with the fixing of the Federal salaries, to the salaries in California and in other States. So the argument of the Senator from California fits in completely with my argument. I am asking that Senators consider the situation in California and the other States.

Second, we have the question of whether the Federal Government has to pay the rates of pay fixed by collective bargaining in the various parts of the country. Undoubtedly in California, under every contract covering Government work, the workers are paid on the basis of the salary level fixed in that community, as established by a Federal statute, which provides—and I voted for it—that the provisions of the Bacon Act shall apply. That means that in California, the workers on jobs under Federal contracts are paid the rates fixed by collective-bargaining agreements.

Mr. President, I yield to no other Senator in compassion for workers. I want the postal service employees to get their raise in pay, and I will support it. I have no hesitation in doing so, and I have told that to delegation after delegation.

But I am not in favor of having inordinate pay raises given to employees who already are receiving large salaries. On that point I differ from the general arguments which are being made. I want to help those who are struggling with low salaries, but I will not vote to have the salaries of workers who now are receiving $17,500 increased to $18,500. Neither will I vote to increase my own salary. However, I anticipate that 2 years from now there will be a vote on the question of increasing the salary of Senators.

My position is taken on the basis that I want to lift the burden from the taxpayers a little.

Mr. President, little thought is given on this floor to the taxpayers. The only thought we give is when we say we are going to lower their taxes. Of course it is simple to advocate lowering taxes and increasing spending, but where will that course lead us? The end of that road will be the poorhouse and calamity.

If the argument being made were to lower taxes and to keep expenditures in line, I would say we would then be moving on a sound basis. But almost every bill which has been brought up on this floor—and especially the weak ones—is advocated on the basis of the demagogic argument that the bill is based on a feeling of compassion for fellow human beings; and the implication is that some Senators are devoid of such compassion.

Mr. President, compassion does not reside in one person more than in others.

However, I submit to the Senate that realistic facts which cannot be avoided must be considered. I will support the measure which calls for increasing practically all salaries, but I will not go along with the program to increase the pay of those who already are receiving high salaries.

Mr. CLARK. Mr. President, will the Senator from Ohio yield?

Mr. LAUSCHE. I yield.

Mr. CLARK. I respect the arguments being made by the Senator from Ohio, as I always do, although I drastically disagree with him.

I wonder how he thinks the committee is buying votes when it advocates increasing the salaries—and increasing them to only an inadequate extent, I emphasize, from my point of view—to be paid to the real brains the Federal Government has in the civil service. If one wished to buy votes, he would advocate increasing the salaries of the people with strong backs and weak minds. So it seems to me it takes a great deal of courage to advocate—as the chairman of the committee has done—that the salaries of those with good brains be increased. I do not think votes are being bought in that way. In this regard, I support the chairman of the committee. I do not think the salaries would be raised high enough.

Mr. LAUSCHE. I suppose there is much to what the Senator from Pennsylvania has said. However, I refer to the practice in an election year of supporting all sorts of giveaway programs. How is it that all the bills of that sort come before the Senate in an election year? Why do not they come before the Senate in a nonelection year? Mr. President, I know the answer to that question; and I think everyone else knows it too.

Mr. CLARK. Mr. President, will the Senator from Ohio yield again to me?

Mr. LAUSCHE. I yield.

Mr. CLARK. I wonder whether the Senator from Ohio thinks there are enough good brains in the Federal Government.

Mr. LAUSCHE. I cannot answer that question; but I know that if salaries at the Federal level are increased, private enterprise firms engaged in space work and electronics work will, in their quest for engineers, increase the salaries they pay; and then the Federal Government will have to increase, once again, the salaries it pays; and thus the competition will continue, and the problem never will be solved.

As Governor of Ohio, I had a similar experience. I increased the salaries of our mental-hygiene workers; but as soon as I did that, I found that the other States did likewise, and the problem was never solved.

Mr. CLARK. Mr. President, will the Senator from Ohio yield again to me?

Mr. LAUSCHE. I yield.

Mr. CLARK. Does not the Senator from Ohio agree that today private industry pays from two to three or four times what the Federal Government pays to workers with good brains?

Mr. LAUSCHE. I agree; but I think the Federal Government is responsible for that situation. I repeat that the Federal Government is responsible for the high salaries that are being paid in private industry. We are letting contracts on a cost-plus basis in the field of space and electronics. Those contractees, knowing that whatever they pay in salaries will be paid by the taxpayers, are robbing one another of employees, lifting salaries all the time, robbing the Federal Government of employees; and thus the chase on the treadmill goes on.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. CLARK. Does not the Senator agree that about 91 percent of the higher salaries is returned to the Federal Government in income taxes? Is that not true?

Mr. LAUSCHE. I suppose that is so, but what does that prove? Does it prove that we give it to them and then steal it from them?

Mr. CLARK. Does the Senator think the income tax laws are a thief?

Mr. LAUSCHE. But that is in effect what the Senator says—we give them 100 cents and then take 91 cents away from them, so everything is fine.

Mr. CLARK. It seems to knock the Senator's argument into a box.

I personally would like to see the high income tax brackets come down. The point of the bill is to see to it that the brains represented in the upper and middle income brackets can be made available to the U.S. Government as well as to private industry. That is why I support the committee.

Mr. LAUSCHE. I agree with the Senator from Pennsylvania—I want our Government to get men with brains, but I cannot see how we are going to do it in this race by trying to determine who will pay the highest salaries and by providing that salaries for engineers and scientists shall be raised. The moment we do it, the companies to whom we are assigning contracts will raise the salaries of their scientists; and we will be back where we started. We are not getting to the cause, I say to the Senator from Pennsylvania.

Let me now summarize my position on the bill. I am in favor of adopting the principle of comparability, but the comparison of salaries should not be confined to a comparison of what is paid by private enterprise and what is paid by the Government. If a just rule is to be arrived at, the salaries paid by State, local, municipal, and county governments must be included.

I favor the granting of a pay raise at this time generally as envisioned in the bill, with a few exceptions. The exceptions are that I will not support the section giving a pay increase to the legislative branch of the Government.

While I am on that subject, has the Senator from South Carolina been able to get the figures showing what the potential cost of this bill will be in the increases which can be given to legislative employees? I asked for that information yesterday. Basically, I am in favor of that phase of the bill, except for the items I have mentioned.

Mr. JOHNSTON. Mr. President, the maximum amount of the cost of the pay raise for all employees of the U.S. Senate, provided each employee was given the full amount of the increase provided, would be $1,650.00.

Mr. PASTORE. Mr. President, has the Senator from Ohio concluded?

Mr. LAUSCHE. Yes.

Mr. PASTORE. Mr. President, no one Senator has a monopoly on compassion. No one Senator has a monopoly on the public interest or interest in the welfare of the taxpayers. When it comes to a regard for the taxpayer, his interest, and his welfare, I defer to no one, just as I am sure the Senator from Ohio defers to no one.

All I am saying is that if a girl is working in one's office here in Washington as a stenographer, or if there is a mail carrier going his rounds in the State of Rhode Island, I would not want their pay determined by whether the State of Massachusetts, for example, pays more or pays less for comparable work. The standard for Federal wages should not be the measure by which salaries in one State government may be paid as against those paid in another State government. The minute we begin to follow a formula that the pay of Federal employees will be based on what is paid in a certain State or municipality, we shall have a lopsided civil service establishment. There is no question about it.

We have a responsibility. As legislators in the American Congress, we have a responsibility to fix wages for Federal employees, and that job should not be done by the State legislatures. I realize that many States may pay higher salaries than they should. I am aware there are scandals alleged in many States. Merely because a higher salary is paid in a State does not mean that a Federal employee working in that State should be paid more than he deserves. By the same token, if the salary in a certain State is lower, it does not mean that a Federal employee working in that State should be paid less than he deserves.

The formula suggested by the Senator from Ohio will not work. It is impracticable. For that reason it should be defeated.

Mr. JOHNSTON. Mr. President, is the amendment pending before the Senate now?

The PRESIDING OFFICER. No; the amendment has not been offered.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. What is the amendment before the Senate?

Mr. PASTORE. Mr. President, I ask for the third reading, if there is no further amendment to be offered.

The PRESIDING OFFICER. The question is on the committee amendment in the nature of a substitute for the bill.

Mr. MORSE. Mr. President, is an amendment in order now?

The PRESIDING OFFICER. An amendment is in order.

Mr. MORSE. I call up my amendments, identified as "9–26–62—D."

The PRESIDING OFFICER. The amendments offered by the Senator from Oregon will be stated.

The LEGISLATIVE CLERK. It is proposed on page 11, beginning with line 1, strike out all through line 9 on page 32.

On page 32, line 10, strike out "Part II" and insert "Part I".

On page 101, line 8, strike out "Part III" and insert "Part II".

Amend the title so as to read: "An Act to adjust the salaries of Federal employees, and for other purposes."

Mr. MORSE. Mr. President, I shall not take very long on these amendments.

I would like to have the attention of the majority leader. I am open to the possibility of a unanimous-consent agreement limiting time on this amendment, because there is the record of years standing of objection by the senior Senator from Oregon to combining pay increases with rate increases. I would like to have a yea-and-nay vote on the amendments. I would be willing to enter into an agreement limiting ourselves to 10 minutes on a side. We all know how we are going to vote, anyway.

Mr. MANSFIELD. Mr. President, if the Senator will yield, I am so surprised I hardly know what to say, but I would like to make a unanimous-consent request along the lines indicated by the Senator from Oregon, limiting debate on the amendment to 10 minutes to a side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MORSE. Mr. President, I would like to suggest that the majority leader call for a quorum, and then withdraw it when there are enough Senators present to order the yeas and nays on the amendments.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the amendments of the Senator from Oregon.

The yeas and nays were ordered.

Mr. MORSE. Mr. President, my speech in support of the amendment was made yesterday. I just think it is bad public policy to hitch postal rates to postal pay and pay for other civil service employees. It is a bad precedent. It will rise to plague the Senate and the parties concerned.

The precedent is going to be cited some time in the future that there cannot be a consideration of pay increases unless there is an increase in rates. I think it is bad legislative policy both for the postal service, and for all the services of the Federal Government.

If the Senate is going to tie salaries to rates now, is the Senate ready to do it in connection with all Government services? Let us take the large body of proprietary interest in the Federal Government. Let us take the Bonneville Administration, the TVA, any of the Government services in the field of utilities. Does the Senate want to set a precedent that there cannot be pay increases for those Federal employees unless there are changes in the rates in the operation of the proprietary interest that will pay their way?

As a matter of principle, the combining of postal rate increases and pay increases cannot be justified as good political science.

This goes back to the whole history of the purpose of the postal service. We cannot erase the pages of American history on this subject matter. When the postal service was established there was never any intention on the part of our Constitutional Fathers that it should pay its way. To the contrary, there were debates at the time of the Constitutional Convention in regard to this matter, and there was strong opposition to the idea that there ought to be a private enterprise system in connection with the delivery of mail. In some colonies the mail was distributed in that manner. That was an efficient service, because the people in charge of the business distributed the mail from the standpoint of making a profit. They gave service accordingly.

As a result, there was not a uniformity of service. It was decided there should be established a Federal postal service to serve the people of this country, to give assurance that there would be uniformity of efficiency to the extent possible, and that there would be uniformity of service to the American people, whether they lived in the mountains, on Main Street, in Washington, D.C., or anywhere else.

I think that is the way we ought to keep it.

I quite agree that there should not be waste in the postal service. I quite agree that the rates ought to be reasonable. But the idea that it is necessary to raise the rates so that there will be no deficit in the postal service, in my judgment, overlooks the fact of its original purpose.

Do Senators wish to apply that principle in terms of fire protection? Do Senators wish to apply that principle in regard to all the other public services to which we know a free people are entitled?

What do I propose? I say, "Separate them." That is what the amendment would do. It would eliminate from this bill the whole of part I on postal rates. We could pass part II and part III. In January we could consider another bill to deal with the matter of rates, at a time we could deliberate on it and I think do a more thorough job than we can now do. Or, if Senators wish, even in the closing days of this session we could consider an independent bill with regard to postal rates. We could debate that to our heart's content and present in some detail the evidence which I think ought to be presented against an increase in the postal rates, particularly in the rates on first-class mail and airmail.

That is my case. I am only making a plea today for the application of sound political science to the legislative process in the Senate.

Mr. President, I yield back the remainder of my time.

Mr. JOHNSTON. Mr. President, I shall use only 4 or 5 minutes.

I agree with most of what the Senator from Oregon has said. I also believe that salaries of employees of the Government should not be absolutely dependent upon increases in rates, especially in the Post Office Department.

I think, along with the Senator from Oregon, we ought to provide certain things under the postal service which do not pay all their way. I do not think all must pay their way.

With respect to first-class mail, we must look at the overall situation. A person may send a telegram and may pay for 10 words. A person may write 50 words and send the telegram immediately, at any time during the day, or he may send it in the form of a night letter, at a cheaper rate.

The same is true in this regard to the Post Office Department. First-class mail receives preferential treatment. Those letters go out first. If time is available, the second-class mail is handled. When second-class mail has been handled, the third-class mail is then handled, and so on down the line until all classes of mail have been processed.

For this reason, rates should be a little cheaper for various classes other than first class, since they do not receive preferential treatment.

We should think about these things in regard to regulating rates.

Coming back again to the question of salaries, I would not wish to have anybody at any time think that an employee should not have his salary raised until the budget is balanced. Never would I believe that. If I did, certainly the employees would not be getting the increases they deserve. I think the salaries of employees should depend upon whether or not the employees do their work and the amount to which they are entitled for doing the particular work they do, whatever it is. That is my position, and it has been at all times.

We did not want to tie the two bills together. For the information of the Senator, we would not have been able to get any pay increase for the employees if we had not tied the bills together.

A bill has not come to the Senate from the House with regard to the pay raise, and for that reason we have tied the two bills together, in order to do something for the employees and at the same time do something to the increase in postal rates.

Both of these are equitable.

We have also provided in the bill retirement provisions, so that they may be passed.

We think all these proposals are equitable.

I do not agree with everything that is in any bill of this scope. Every com-

mittee chairman has to "give and take" in committee. When the committee reports a bill, it is my duty as chairman, to do everything possible to see that the bill is passed by the Senate in the form reported by the committee unless there should be some very unusual provision that goes too much against the grain. Of course, I am not tied, and no other Senator is tied, to follow the committee recommendation 100 percent. However, in considering the bill in the Senate it becomes necessary at times to go along with matters in which one Senator may not thoroughly believe.

We cannot follow the Senator in regard to this particular amendment. If we should do so, there would not be any increase in salaries for employees. There would not be any retirement provisions passed this year. There would not be, this year, any increase in rates provided.

We hope all of these things will go into effect, in order that we may have a better postal system and do justice to the employees at the same time.

Mr. MORSE. Mr. President, if I may, I will take back 1 minute of my time.

I understand the position of the Senator from South Carolina. It is the same position that Senator after Senator has stated to me. It is the old story that many have told me, that the political science principle for which I am fighting is absolutely sound; but apparently there are some problems of expediency which will smother out a sound political science principle.

I offer the amendment. I think it is a proper amendment. I suspect I shall be defeated on the yea-and-nay vote, but I do not think I should be, for I think the way to pass legislation properly is on the basis of my amendment.

I hope that my amendment and the vote on it, the legislative history we are now making, will at least blunt somewhat the argument which may be made in the future pointing back to this hour as an hour of precedent in regard to the question of linking pay increases with rate increases or linking pay increases with the argument, "You can get them only if that particular part of the Government service pays its way."

If I have performed that service I have accomplished at least something, and I am glad I have offered my amendment.

Mr. LONG of Louisiana. Mr. President, will the Senator from Oregon yield to me for a question?

Mr. MORSE. I yield to the Senator.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. MORSE. My time has expired.

Mr. JOHNSTON. I yield 1 minute to the Senator, so that he may ask a question.

Mr. LONG of Louisiana. In view of the fact that some of us would be tempted to vote, if the measures were separated, for the pay raise portion and against the rate increase portion, I am somewhat curious as to the Senator's attitude in that regard. Does the Senator think we ought to defeat the rate increase and vote for the pay increase, or would he vote for both, even though separated?

Mr. MORSE. If they could be separated I would vote against the rate increase in the form provided in the bill, unless it were drastically modified.

Mr. MONRONEY. Mr. President, will the Senator yield me 2 minutes?

Mr. JOHNSTON. I yield 2 minutes to the distinguished Senator from Oklahoma.

Mr. MONRONEY. I rise in opposition to the amendment offered by the distinguished Senator from Oregon. Having campaigned throughout the years and crusaded against joining together proposed legislation relating to a pay raise and a postal rate increase, I dislike having to do so now. The only time I remember that our committee supported such a measure was when we made an effort to avoid the killing of a proposed pay increase through a Presidential veto.

Today we are faced with a different situation. Time has run out on the opportunity to consider the two bills separately, and to do a satisfactory job on a most necessary measure, namely, a bill which would raise $600 million in revenue every year to help pay for the operation of the Post Office. I point out that the pending bill would cover only a portion of the necessary revenue. The $308 million of the proposed pay increase will have to be charged to public service. To postpone action on the rate bill and take up the pay bill now would unquestionably result in a loss of approximately $300 million before the mail rate bill could later be passed.

Furthermore, I am convinced from the information that our committee has that without a rate bill, which should have been passed separately if we could have finished our job, I doubt very seriously that the President of the United States would sign proposed legislation which would extend over $1 billion in pay increases in the half of the bill that we might pass, while we neglected to provide the $600 million necessary increase in revenue from additional postal rates.

I agree with the distinguished Senator from Oregon. We never wish to set a precedent on the question. The lateness of the session explains the reason the proposal is necessary, and I hope the amendment will be rejected.

Mr. JOHNSTON. Mr. President, I yield back my remaining time.

Mr. MORSE. Mr. President, I yield back any time I may have remaining.

The PRESIDING OFFICER. All time is yielded back.

Mr. MANSFIELD. Mr. President, I should like to suggest a brief quorum call. I do so because one of the cars going to the new Senate Office Building is out of commission. Furthermore, I understand that the bells in the Public Works Committee room have not been ringing. Therefore, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Oregon. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from California [Mr. ENGLE], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Indiana [Mr. HARTKE], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Washington [Mr. MAGNUSON] are absent on official business.

I further announce that the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. HICKEY], the Senator from Missouri [Mr. LONG] are necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from California [Mr. ENGLE], the Senator from Alaska [Mr. GRUENING], the Senator from Indiana [Mr. HARTKE], the Senator from Wyoming [Mr. HICKEY], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Missouri [Mr. LONG] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN] is absent on official business.

The Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Indiana [Mr. CAPEHART], the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senator from New Hampshire [Mr. COTTON], the Senator from Kentucky [Mr. MORTON], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Illinois [Mr. DIRKSEN] is detained on official business.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Indiana [Mr. CAPEHART], the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senator from Kentucky [Mr. MORTON], and the Senator from Texas [Mr. TOWER] would each vote "nay."

The result was announced—yeas 6, nays 72, as follows:

[No. 282 Leg.]

YEAS—6

Cooper	McGee	Morse
Kuchel	McNamara	Proxmire

NAYS—72

Allott	Bush	Case
Bartlett	Butler	Chavez
Beall	Byrd, Va.	Church
Bible	Byrd, W. Va.	Clark
Boggs	Cannon	Curtis
Burdick	Carroll	Dodd

Douglas	Lausche	Robertson
Ervin	Long, Hawaii	Russell
Fong	Long, La.	Saltonstall
Goldwater	Mansfield	Scott
Hart	McCarthy	Smathers
Hayden	McClellan	Smith, Mass.
Hickenlooper	Metcalf	Smith, Maine
Hill	Miller	Sparkman
Holland	Monroney	Stennis
Hruska	Moss	Symington
Jackson	Mundt	Talmadge
Javits	Murphy	Thurmond
Johnston	Muskie	Wiley
Jordan, N.C.	Neuberger	Williams, N.J.
Jordan, Idaho	Pastore	Williams, Del.
Keating	Pell	Yarborough
Kefauver	Prouty	Young, N. Dak.
Kerr	Randolph	Young, Ohio

NOT VOTING—22

Aiken	Eastland	Humphrey
Anderson	Ellender	Long, Mo.
Bennett	Engle	Magnuson
Bottum	Fulbright	Morton
Capehart	Gore	Pearson
Carlson	Gruening	Tower
Cotton	Hartke	
Dirksen	Hickey	

So Mr. MORSE's amendment was rejected.

Mr. MORSE. Mr. President, I call up my amendment designated "9–26–62—E" and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 11, it is proposed to strike out lines 3 to 8, inclusive, and renumber succeeding section numbers accordingly.

On page 11, beginning with line 12, strike out all through line 15.

On page 11, line 16, strike out "(3)" and insert "(1)".

On page 11, line 4, strike out "(4)" and insert "(2)".

Mr. MORSE. Mr. President, I should like to offer the majority leader another unanimous-consent proposal: That there be a limitation of 10 minutes to a side on this very sound and speaking-for-itself amendment, and that we have a yea-and-nay vote on it. I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been requested. Is there a sufficient second?

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, will the Chair entertain the request of the Senator from Oregon that the time on the amendment be limited to 20 minutes, 10 minutes to a side?

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon? The Chair hears none, and it is so ordered.

Mr. MORSE. Mr. President, my amendment strikes out the increases provided in the bill for first-class mail and airmail. The case is made for me by the committee on page 2 of the report. I ask Senators to turn to page 2 and examine the table entitled "Comparison of Estimated Cost Coverage."

The first item in the table is "First class, current rates." That class returns to the Post Office 100.4 percent of the carrying charges. In other words, the return on first-class mail, now being carried with a 4-cent stamp, is 0.4 percent more than the cost of carriage.

I ask Senators to look at the second item in the table—airmail. Airmail is now being carried through the mail at 112.8 percent of the current rate. In other words, the Government receives 12.8 percent more than it costs to carry the airmail.

What does the committee propose with respect to these two items? I ask Senators to examine the last column of the table, headed "Senate Amendment." That is the amount which will be received for first-class mail if the bill is passed. According to the table, the amount to be received will be 127.4 percent of the cost of carrying first-class mail. In other words, the senders of first-class mail will be paying a subsidy of 27.4 percent to the other branches of mail to help pay a part of their carrying costs. That is much more than the subsidy they are now paying, which is about four-tenths of one percent.

In contrast, even when the increases for second- and third-class mail have gone into effect, second class will be paying only 35 percent of its carrying cost, and third class 82 percent.

What about airmail? Under the committee bill, 127 percent of the cost of carriage will be received. I do not think that is right or fair. I do not believe it is fair to the senders of first-class mail to require them to pay what is really a subsidy to the users of other classes of mail, who will not be paying nearly their share of the load. I do not believe it is fair to the senders of airmail, who will be paying a subsidy, in effect, of 27 percent.

Nor do I think, if anyone has any doubt about it, that it is fair or right to charge the users of second- and third-class service the full cost of sending that mail.

The reason for that, heard so many times from the lips of the senior Senator from Oregon—I shall not dwell on it at length now—is that I hold to the proposition that the whole purpose of the postal system is to render a public service to the American pepole, so that there will be a guarantee of quick and cheap dissemination of knowledge and information into the homes of America, which is essential to keeping men and women free; for we will not keep freedom in this country unless we keep knowledge at the hearthstones of America. It will not be possible to keep freedom in this country unless we keep the people enlightened; and the postal service is one of the great educational institutions in America. It is a part of our educational system. It should not be maintained on a pay-as-you-go basis.

Certainly we should not be expecting the senders of first-class mail and airmail to subsidize the senders of magazines and newspapers and the other users of second- and third-class mail. If there is to be a subsidy—and I am for it, because that is what this proposal is, in effect—it ought to be paid out of the Treasury of the United States by all the taxpayers, and not be paid by some select group.

As a matter of policy, I believe that where subsidies are desirable, they should be financed from general revenues and not borne by just one group.

I simply do not believe it is fair or right to increase the charge of first-class mail to 5 cents and for airmail to 10 cents, in order to subsidize the other users of the mail.

In my opinion, the rates for these two classes should remain at their present levels. Those classes are paying their cost; in fact, airmail is more than paying its cost. I think that to retain the first-class and airmail rates at their present levels would be fair and equitable. Therefore, I offer my amendment.

Mr. JOHNSTON. Mr. President, if the amendment of the Senator from Oregon is adopted, the following amounts of revenue will be eliminated: The increased amount of revenue for first-class mail under the bill will be $437,800,000. The proposed increase in rate for airmail will result in $21,200,000 additional revenue. So the adoption of the amendment of the Senator from Oregon would result in eliminating $459 million of revenue from the bill. That would leave very little revenue remaining.

First-class mail has always paid more than its cost of delivery. That has been true since almost the beginning of the carrying of the mails. At one time it was carried at 170 percent of the cost of delivery. When the first-class rate was increased to 3 cents in 1933, it can well be imagined just what part of the cost it was carrying at that particular time. As I remember, it was 170 percent of the cost. So, first-class has always more than paid its cost.

This is true in the main because first-class mail receives preferential treatment. It is the mail which is delivered first. When it comes into the post office, it is the first mail sorted. Although in many instances it is sorted 11 times, each time it is sorted first and keeps getting into the front row, so to speak. It is given preferential treatment all the way through the post office. And it is because first-class mail receives preferential treatment that an additional amount is paid.

The committee believes that the proposed rates are equitable under the circumstances at this time.

Mr. MORSE. Mr. President, I yield back the remainder of my time.

Mr. JOHNSTON. I yield back the rest of my time.

Mr. BIBLE. Mr. President, for the same reason as was advanced previously, I suggest the absence of a quorum. It is my understanding that some of the bells are not ringing; therefore, a short quorum call is desired.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BIBLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on the amendment lettered "E" of the Senator from Oregon. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr.

ANDERSON], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Louisiana [Mr. ELLENDER], the Senator from California [Mr. ENGLE], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Indiana [Mr. HARTKE], the Senator from Washington [Mr. MAGNUSON], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

I further announce that the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. HICKEY], and the Senator from Missouri [Mr. LONG] are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. GRUENING] would vote "yea."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN] is absent on official business.

The Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Indiana [Mr. CAPEHART], the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senator from New Hampshire [Mr. COTTON], the Senator from Kentucky [Mr. MORTON], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Illinois [Mr. DIRKSEN] and the Senator from New York [Mr. JAVITS] are detained on official business.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Indiana [Mr. CAPEHART], the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senator from New York [Mr. JAVITS], the Senator from Kentucky [Mr. MORTON], and the Senator from Texas [Mr. TOWER] would each vote "nay."

The result was announced—yeas 12, nays 65, as follows:

[No. 283 Leg.]

YEAS—12

Bartlett	Long, La.	Morse
Cooper	McCarthy	Neuberger
Hart	McGee	Proxmire
Kefauver	McNamara	Young, Ohio

NAYS—65

Allott	Hickenlooper	Muskie
Beall	Hill	Pastore
Bible	Holland	Pell
Boggs	Hruska	Prouty
Burdick	Humphrey	Randolph
Bush	Jackson	Robertson
Butler	Johnston	Saltonstall
Byrd, Va.	Jordan, N.C.	Scott
Byrd, W. Va.	Jordan, Idaho	Smathers
Cannon	Keating	Smith, Mass.
Carroll	Kerr	Smith, Maine
Case	Kuchel	Sparkman
Church	Lausche	Stennis
Clark	Long, Hawaii	Symington
Curtis	Mansfield	Talmadge
Dodd	McClellan	Thurmond
Douglas	Metcalf	Wiley
Eastland	Miller	Williams, N.J.
Ervin	Monroney	Williams, Del.
Fong	Moss	Yarborough
Goldwater	Mundt	Young, N. Dak.
Hayden	Murphy	

NOT VOTING—23

Aiken	Dirksen	Javits
Anderson	Ellender	Long, Mo.
Bennett	Engle	Magnuson
Bottum	Fulbright	Morton
Capehart	Gore	Pearson
Carlson	Gruening	Russell
Chavez	Hartke	Tower
Cotton	Hickey	

So Mr. MORSE's amendment was rejected.

Mr. LAUSCHE. Mr. President, I call up my amendments identified as "9–26–62—F."

The PRESIDING OFFICER. The amendments offered by the Senator from Ohio will be stated.

The CHIEF CLERK. It is proposed on page 96, beginning with line 9, strike out all through line 17 on page 99.

Renumber sections 1006, 1007, and 1008 as 1005, 1006, and 1007, respectively.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. MANSFIELD. With the acquiescence and support of the Senate, I wish to make a unanimous-consent request that 10 minutes be allowed on the pending amendment, 5 minutes to a side.

The PRESIDING OFFICER. Is there objection?

Mr. MANSFIELD. With the further provision that, when the Senator from Colorado [Mr. CARROLL], calls up his amendment, 30 minutes be allowed, 15 minutes to a side.

The PRESIDING OFFICER. Is there objection?

Mr. CARROLL. Mr. President, reserving the right to object, I would like to have the yeas and nays on my amendment. I understand the Senator from Ohio does not want them on his amendment, but I would like to have them on mine.

Mr. MANSFIELD. At the appropriate time the yeas and nays will be requested.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. LAUSCHE. Mr. President, my amendments, if adopted, would strike from the bill those provisions which authorize a discretionary pay raise of 7 percent to the employees of the legislative branch of Government.

Senators are thoroughly familiar with this problem. It requires no argument on my part to point out the facts as I see them supporting my position, or for other Senators to point out the facts as they see them in support of their position in favor of the proposal.

Two years ago a pay raise of 10 percent was granted. I recognize that it was not mandatory that the pay raise be put into effect. It was discretionary with each Senator. However, when the employees of Senators B, C, and D receive a pay raise, it is pretty hard for another Senator to say, "No, I cannot do it."

Therefore, I urge the adoption of my amendment.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has a minute and a half remaining.

Mr. LAUSCHE. I yield to the Senator from Louisiana [Mr. ELLENDER].

Mr. ELLENDER. Mr. President, a few years ago, when this same matter came before the Senate, I opposed any increase for employees of the legislative branch. As I indicated then, we of the legislative branch have a system of our own that we can utilize to fix salaries of our employees. Depending on the size of the respective States, Senators have a base salary allowance ranging from $52,980 to as much as $79,980. Thus any Senator can hire the number of employees he specifically needs and fix salaries of his choice. This is something that is left up to individual Senators. After all, each Senator should know best how many employees he needs to serve his constituents.

It is true that a Senator is limited in the amount he can pay his administrative assistant. The maximum base for such positions is $8,820. But this is not the full amount of the salary. There is a special fund which raises the base salary to a gross salary of $17,525 per year. As my good friend the Senator from Ohio has indicated, I think a salary of that size is sufficient.

I do not like to see this practice of coupling a salary raise for other employees of the Federal Government with a raise in salaries for post office employees. I would cheerfully vote for an increase in the salaries of post office employees if I could get the opportunity to do so because I believe they are underpaid. However, I do not believe it is wise for us to vote for a bill at this time which will raise salaries to such a great extent for a host of Federal employees. This proposed salary raise would increase Federal expenditures over $1 billion a year.

As I had said earlier this year, I am in favor of an increase in pay rates for postal employees if it is coupled with an increase in postal rates. However, I am not in favor of increasing the maximum salary for a Senator's administrative assistant from $17,525 per year to $18,880 per year or of increasing the salary of a GS–17 by $1,768 per year. I think salaries paid people in these positions are high enough.

I repeat: If the bill dealt only with increasing salaries of postal employees along with an increase in postal rates, I would vote for it. If it includes pay raises for any other Government employee, I am against it.

The PRESIDING OFFICER. The Senator's time has expired. The Senator from South Carolina is recognized.

Mr. JOHNSTON. Mr. President, speaking for the committee, we decided that 7 percent would be an equitable amount to increase the fund for each Senator to have available. The raise would be left entirely to the Senator.

We did establish a ceiling, so to speak, in respect to salaries of employees in the offices of Senators and for the staffs of the committees.

We think that amount is well within the line. If a Senator did not wish to increase the salary of anybody working in his office, he would not have to do so. The Senator could submit a letter, after the bill is signed by the President, any time before the next pay day, setting salaries for those in his office at any salary rates he desires.

However, the Senator could not provide salaries amounting to more in the aggregate than was assigned to his particular office, nor could he raise the sal-

ary for any particular person above the ceiling.

We thought it was right and just to provide for employees on Capitol Hill and to put the appropriation in each Senator's allotment, so to speak, so that Senators could act according to their wishes.

I wish to invite attention to one other thing before the Senate. Senators from the large States have a great deal of difficulty answering mail which comes to their offices. That is the report which has come to us from New York, Pennsylvania, Illinois, and other States. There has been a plea for a larger allowance in regard to particular States because of the additional burden of answering the mail and carrying on correspondence in the office. I am informed that some Senators must pay expenses out of their own pockets.

That is not a question for our committee. We could not adjust that situation. I only bring it to the attention of the Senate, so that the committee which can properly deal with it and the Appropriations Committee can make the proper adjustments to see that justice is done to all the States.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield.

Mr. ELLENDER. Is the base figure to be raised?

Mr. JOHNSTON. No.

Mr. ELLENDER. How would the additional amount be given, let us say, to the employees in the Senator's office?

Mr. JOHNSTON. Each base would be given an additional amount. A person receiving a base pay of $5,000, for instance, would receive a gross pay of more than $5,000.

Mr. ELLENDER. The Senator says the base would not be changed?

Mr. JOHNSTON. The base would not be changed.

Representatives of the Disbursing Office came before the committee and said that would be the easiest way to handle the problem.

Mr. ELLENDER. Is there to be an increase over and above some base as now exists?

Mr. JOHNSTON. Does the Senator refer to the base?

Mr. ELLENDER. In other words will the same base be used with a salary increase coming out of a special or contingent fund?

Mr. JOHNSTON. The base the Senator gets will provide a gross of 7 percent more.

Mr. ELLENDER. That is the question I was asking. The Senator said the base would not be changed, but the amount of salary will be raised from the same base.

Mr. JOHNSTON. The base would not be changed, but the gross would.

Mr. ELLENDER. Assume that a Senator wished to give an employee the highest salary possible. At the present time the base pay is $8,820, which would make it possible for the employee's gross salary to be $17,525.

Mr. JOHNSTON. Yes.

Mr. ELLENDER. How would the Senator effectuate the addition over $17,525?

Mr. JOHNSTON. The same base pay would provide for the additional amount. That has been the procedure used in the past.

Mr. ELLENDER. In other words, if the Senator fixed the base pay at the same rate the employee now has, the gross salary of the employee would automatically be augmented, to give an additional 7 percent.

Mr. JOHNSTON. It would vary in some grades a little bit, but very little. It averages out the same.

Mr. ELLENDER. Would the funds come from the contingency funds of the Senate?

Mr. JOHNSTON. They would.

Mr. YOUNG of Ohio. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield.

Mr. YOUNG of OHIO. Is it a fact if the amendment offered by my colleague, the senior Senator from Ohio, were rejected, an administrative assistant, an assistant to a Senator, might receive a salary of approximately $18,250 maximum?

Mr. JOHNSTON. The administrative assistant would get that much. The pay scale would be graduated.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. YOUNG of Ohio. Mr. President, I ask unanimous consent that I may proceed for 1 additional minute.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Ohio? The Chair hears none, and it is so ordered.

Mr. YOUNG of Ohio. It happens that my colleague and I both represent what is called a big State, because the State of Ohio now has a population in excess of 10 million. I disagree with statements made earlier today that the Senators representing populous States lack sufficient clerical allowance to pay our staff members who assist us. I feel that we are given ample allowances at the present time to pay salaries to our employees and my vote will be recorded in support of my colleague's amendment.

Furthermore, as to administrative assistants, we can use that fancy title if we wish, nevertheless very few work as hard as we Senators nor as long hours, we see them loafing around the Senate Chamber when important issues are before the Senate frequently lining the sides and rear of the Senate Chamber as curious spectators.

An administrative assistant in my office or in any other Senator's office who receives in excess of $18,000 a year would really be receiving more money than the Senator.

Senators maintain two homes. We want to maintain two homes. We are glad to maintain a home in the State we represent. We travel back and forth a great deal, and often at our own expense.

In addition, if a Senator runs for reelection, he must spend a great deal of money in his campaign. Furthermore a Senator has no expense or entertainment allowance. We are glad to entertain our constituents at our own expense. Each of us spends substantial amounts for charities and entertainment.

I feel that we have been very liberal to the staff assistants under our present system, and I support the amendment offered by my colleague to maintain the status quo instead of giving this handout as a gift.

The PRESIDING OFFICER. The time of the Senator has expired. The question is on agreeing to the amendment offered by the Senator from Ohio. (Putting the question.)

Mr. MILLER. Mr. President, I ask for a division.

Mr. ELLENDER. I ask for a division, Mr. President.

The PRESIDING OFFICER. A division has been requested.

On a division, the amendment was rejected.

Mr. CARROLL. Mr. President, I offer my amendment which is at the desk, and I ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 13, beginning with line 12, it is proposed to strike out the remainder of the page and insert in lieu thereof the following:

(3) The rates of postage on publications of a qualified nonprofit organization mailed in accordance with subsection (a) are as follows:

[In cents]

	Mailed after Jan. 6, 1963, and prior to Jan. 1, 1964	Mailed during calendar year 1964	Mailed after Dec. 31, 1964
Rate per pound	1.6	1.7	1.8
Minimum charge per piece	.125	.125	.125

Mr. CARROLL. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. CARROLL. Mr. President, the amendment is very simple. There is nothing complicated about it. I had the privilege of debating the subject with the able Senator from Oklahoma [Mr. MONRONEY] just 4 years ago.

My amendment does one thing. It retains in existing law the historical and traditional second-class postage rate for publications of nonprofit organizations. I have reference to the newspapers and magazines published by religious, educational, scientific, philanthropic, agricultural, labor, veterans, and fraternal organizations. Through the years, those engaged in the publication of such newspapers have always had a one-eighth cent minimum per copy rate for bulk mailing. The House of Representatives has always retained this rate. The present House bill retains this rate, but unhappily the Senate committee saw fit to increase it by 100 percent.

Yesterday I had printed in the RECORD certain letters which I have received in opposition to the action of the Senate committee, and at that time I made an extensive statement on the subject.

Senators, I am sure, are fully informed on the merits of this proposal.

I would like to emphasize the fact that my amendment involves only a small amount of revenue. About $1 million would be involved in relation to these

many publications that bring inspiration, information, and pleasure to those who receive them.

The committee heard testimony by representatives of the American Legion, the Veterans of Foreign Wars, the DAV, and other veterans' organizations, from Protestant groups, from the Christian Herald, from Jewish groups, Catholic groups, the Association for the Blind, the National Council of Boy Scouts, and the National Foundation of Medical and Scientific Research. There was also testimony from representatives of crippled children's organizations. All agreed upon the importance of preserving the postage rate for nonprofit publications.

Mr. HUMPHREY. Mr. President, will the Senator yield for a question?

Mr. CARROLL. I yield.

Mr. HUMPHREY. Would the Senator's amendment include the parent-teachers 'association bulletin?

Mr. CARROLL. It would include anything that is nonprofit.

Mr. HUMPHREY. Would it include the Easter Seal program?

Mr. CARROLL. Exactly.

Mr. HUMPHREY. Philanthropic and charitable organizations?

Mr. CARROLL. Yes.

Even though pound rates have been increased my amendment does not alter the commitee bill in this respect. Although it is preferable that there be no change at all in second-class mailing rates for the publications of non-profit organizations; I believe it is most important that the minimum piece rate remain unchanged. For this reason my amendment is directed to that end.

In his testimony before the committee, the Postmaster General made an important point:

> Of course, the entire loss under the public service approach that we advocate on these nonprofit publications is picked up in public service. Our philosophy in regard to taking on that area of controversy was that the amount we could probably anticipate and obtain by a hard-fought battle to increase not-for-profit rates would not justify that entirely separate and extremely difficult area of dispute which we would get into.

Mr. PASTORE. Mr. President, will the Senator yield for a question?

Mr. CARROLL. I am happy to yield.

Mr. PASTORE. Is the Senator from Rhode Island correct in saying that the House left the rate exactly where it had been theretofore?

Mr. CARROLL. The Senator is exactly correct. Many witnesses appeared before the House committee and testified to the point. I have placed some of that testimony in the RECORD. The House refused to raise the rate for these publications. Able representatives of organizations also came before the Senate committee and testified. They did not dream that the committee would take the extreme action which it has.

Four years ago the able Senator from Oklahoma and I debated this same issue on the floor of the Senate. At that time I felt that the provision was a "sleeper." My people at home did not understand the complex formula proposed. We had about 24 hours to marshal our forces. The vote on the issue on February 28, 1958, as shown by the CONGRESSIONAL RECORD, was 35 to 49.

We were defeated in the Senate. However, the bill went to conference, and the provision was eliminated in conference by the House conferees. The rate was not raised.

What is the present danger? I have heard certain rumors to the effect that when the Senate passes the bill, there may not be a conference. That is why I have asked for the yeas and nays on the amendment. This may be our last chance to strike this increase from the bill.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. CARROLL. I am happy to yield.

Mr. PASTORE. Is it true that the Senate amendment applies only to nonprofit organizations?

Mr. CARROLL. That is exactly correct. I have drafted it very carefully.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. CARROLL. I yield to the Senator from Nebraska.

Mr. CURTIS. I am interested in the Senator's amendment. Last evening I received a telephone call from a distinguished clergyman from the State which I have the honor in part to represent. His particular assignment was to publish a religious newspaper. The newspaper was sent primarily to missionary forces around the world. It also went to many in this country. The clergyman reported to me that the doubling of the rate from one-eighth cent per piece to one-fourth cent per piece would annually cost his paper between $3,000 and $4,000 additional. It has no income. It is supported through the money that the good people of the country give to support missionary causes. Were the proposal to increase the rate included in a bill that would bring the income and the outgo into balance, I might be inclined to say to that man that we should go along with it. But in the light of the great increases that would be given to some, I do not believe that we should raise all or a part of that money by increasing the postage on religious nonprofit publications.

Has the Senator any idea what portion of the nonprofit publications affected are publications of an established church or religious organization?

Mr. CARROLL. I do not know the percentage, but there are many such publications, in every State. As the able Senator from Nebraska has said, the provision in the bill would double the costs of these papers and magazines. I have been informed that if the Senate position on the proposed increase prevails, some of these fine publications will not be able to continue their fine work, they will "wither on the vine." We heard that expression in some of the testimony.

Mr. CURTIS. What other postal rates would be doubled in the bill?

Mr. CARROLL. I do not know that there is any other that would be increased 100 percent.

Mr. CURTIS. I venture to guess that there are no other postal rates in the bill that would be doubled.

Mr. CARROLL. I should emphasize that historically, nonprofits groups that have been printing newspapers have always had a lower rate than the regular newspaper rate. But I assure the Senator from Nebraska that his statement is absolutely correct. The increase would go across the board with relation to these groups, and they would suffer greatly.

Mr. CURTIS. Their rates would be doubled.

Mr. CARROLL. Their rates would be doubled not next year, but the following year.

Mr. CURTIS. I cannot find any provision in the bill in which the rate of any other class of postage would be doubled.

Mr. CARROLL. I am not an expert on the bill, but I know that in the instance about which I speak the rates would be doubled.

Mr. President, how much additional time have I?

The PRESIDING OFFICER. The Senator has 5½ minutes remaining.

Mr. CARROLL. Mr. President, I yield myself an additional 1½ minutes.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. CARROLL. I yield.

Mr. ERVIN. What have the organizations to which the Senator has referred been required to pay for postage on their publications?

Mr. CARROLL. The present rate is one-eighth of a cent.

Mr. ERVIN. What was it before?

Mr. CARROLL. It has always been one-eighth of a cent.

Mr. ERVIN. In other words, the rate would be increased from one-eighth of a cent to one-quarter of a cent per pound?

Mr. CARROLL. No, per copy. I am leaving the pound rate alone. We are speaking of what is called the minimum rate for newspaper copy.

I wish to reserve some of my time, to reply to the spirited argument that will be made by the Senator from Oklahoma [Mr. MONRONEY]. The question before us is whether we are prepared to allow this increase to stop these great organizations from informing their people.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. CARROLL. I yield.

Mr. KUCHEL. This proposal provides that a year from now there will be a 100-percent increase with respect to what can be described generally as nonprofit or religious or charitable organizations. Is that correct?

Mr. CARROLL. That is correct. I will yield myself another half minute.

Mr. KUCHEL. A local organization, in which I am interested, would be affected, as I understand. It is the Columbia Lighthouse for the Blind. They would be gouged under the present committee amendment.

Is that correct?

Mr. CARROLL. That is correct.

Mr. KUCHEL. I will vote for the amendment of the Senator. I hope the Senate will adopt the amendment.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. CARROLL. Yes; but I wish to save some time to answer the great debater from Oklahoma.

Mr. HUMPHREY. The Senator is making such a formidable argument for his amendment that he may find that he has taken some of the fight out of the opposition. When was this proposal last before us?

Mr. CARROLL. In 1958. I wish to read the statement made by the Senator from Minnesota at that time. He said:

Mr. HUMPHREY. Yet the increase, if it goes into effect, might very well threaten the existence of certain important scientific, educational, philanthropic, and church publications. We are not dealing with a subsidy of $250 million or $600 million. We are dealing with a small amount of money. Yet we are dealing with the very basic principle of American life, the right to be heard by the Government. Secondly, there is involved the principle of utilization of the services and facilities of the Government to promote the industry and the enlightment, and the scientific progress and the spiritual improvement of the American people.

The Senator made a great speech that day in 1958. It is as true today as it was then. The Senator could not improve upon this statement of his.

Mr. HUMPHREY. I am delighted that the Senator from Colorado has read that statement. It was a good speech. I feel exactly the same way today. With the oratorical abilities of the Senator from Colorado, I am more and more convinced than ever. I support the Senator.

Mr. CARROLL. I thank the Senator.

Mr. PASTORE. Mr. President, I wish to associate myself with the statement made by the Senator from Minnesota 4 years ago.

Mr. CARROLL. I thank the Senator.

Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator has a total of 1½ minutes remaining.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. CARROLL. I have only 1½ minutes left.

Mr. CURTIS. Only for a unanimous-consent request.

Mr. CARROLL. As long as it does not come out of my time, I will be happy to yield.

Mr. MONRONEY. I yield 1 minute to the Senator from Nebraska.

Mr. CURTIS. Mr. President, I ask unanimous consent to have two telegrams printed in the RECORD at this point.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

OMAHA, NEBR.,
September 27, 1962.

Senator CARL CURTIS,
Senate Office Building,
Washington, D.C.:

We are strongly opposed to raise in minimum per piece postal rate for nonprofit second-class publications.

Respectfully,
Msgr. EDMOND C. WALSH,
The True Voice, Omaha.

BELLEVUE, NEBR.,
September 26, 1962.

Senator CARL T. CURTIS,
U.S. Senate,
Washington, D.C.:

The Far East magazine Organ of the Columban Fathers strongly opposes in union with all Catholic publications the proposed minimum per piece rate increase in new postal rates bill, our survival is at stake, please help, thanks.

Rev. DONAL O'MAHONEY,
Editor, St. Columbans, Nebraska.

Mr. MONRONEY. Mr. President, I rise in opposition to the amendment offered by the distinguished Senator from Colorado, knowing how little good it will do, because most Members of the Senate have already spoken in favor of it. I do wish to take this time, however, at least to call the attention of the Senate to the situation that they face in the magnitude of the so-called nonprofit publications. There are now 9,903 so-called nonprofit organizations, and I believe that the bill would add two or three more.

According to the testimony of Postmaster General Day, at page 38 of the hearings, the total loss for second-class mail is $342 million, and the total loss for the so-called reduced rate publications of nonprofit organizations is $93 million. That does not mean that we are subsidizing them to the extent of $93 million. It means that they, along with other low rate second-class publications, are failing to pay their own way to the extent of $93 million; and the same is true of other segments of second-class mail. These include some wonderful publications. Many of them are worthy and deserving. Many of them have church connections. Many of them have fraternal connections. Others have connections with labor organizations.

It seems to me, however, that inasmuch as we are asking that the first-class postage be raised from 4 cents to 5 cents, and thereby authorizing a burden of $437 million to be placed on the individual users of letter mail, and on the air mail users of $21.2 million; and inasmuch as we have required the very small country and county weeklies and dailies—and they agreed to it—to give up their privilege of free mailing, we owe a duty to those users of the mail to make some increase through the whole second- and third-class area, in order that each class may carry a part of the load being passed along so heavily to the first-class users.

Therefore, although the amendment represents a 100-percent increase, it means an actual cash increase of only one-eighth of a cent a year, or one-fourth of 1 cent spread over 2 years. In other words, there would be an increase of one-sixteenth of a cent per copy per year for 2 years before the rate would reach one-fourth of 1 cent.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. PASTORE. No matter how it is calculated, the amount that would be paid by these users would be twice as much as now.

Mr. MONRONEY. That is true. Most of this mail comes from church and charitable and similar organizations. There are other big users of it also, particularly labor publications. One labor newspaper publishes many thousand copies, and because of its size goes out at the ⅛-cent rate. We feel that they could pay the extra one-eighth cent, and in 2 years pay a total of a quarter of a cent. The publications we are talking about can be mailed from New York to Alaska, or from New York to Hawaii or from California to Florida, and they are now carried at the ⅛-cent rate.

I am convinced that the attitude of Senators is not to make this increase. They fear that it might injure religious publications and other small magazines. I have no further desire to press it to a yea and nay vote. If the chairman wishes to accept the amendment of the Senator from Colorado, I will not insist on a yea-and-nay vote.

Mr. JOHNSTON. I agree with what the Senator from Oklahoma has said. We should realize that we are dealing with eleemosynary corporations and nonprofit corporations. If the request for the yea-and-nay vote is rescinded, I am willing to accept the amendment, with the understanding that a study will be made next year of eleemosynary corporations. They have grown, until today there are 9,900 such eleemosynary corporations in the United States using the mails. Let me show Senators how far reaching this cost to the Government is. It is possible to send 40 pieces of such mail, with the expenditure of the same time in sorting and making delivery of it that is expended on the handling of one first-class letter. For 5 cents, 40 of these pieces of mail are carried. I want to look into these eleemosynary corporations, to see which ones are qualified to use this low rate, yet placing proper rates upon some of the others. But we have not been able to do that, so at this time I think it would be equitable to accept the Senator's amendment.

Mr. CARROLL. Mr. President, I commend the Senator from Oklahoma [Mr. MONRONEY], who is an expert in this field. He has worked on this subject for many years.

What the distinguished chairman has stated is true. The subject needs reexamination and further study. I hope that along wtih the study, the committee will consider the vital groups of which I have spoken.

Mr. President, since the Senator has accepted my amendment, I ask unanimous consent to withdraw my request for the yeas and nays. I am ready to vote. As I understand, the Senator from South Carolina will accept the amendment.

Mr. JOHNSTON. I will accept the amendment.

The PRESIDING OFFICER. The request for the yeas and nays is withdrawn.

Mr. HUMPHREY. Mr. President, I commend the Senator from South Carolina upon his decision, and I commend the Senator from Colorado [Mr. CARROLL] and the Senator from Oklahoma [Mr. MONRONEY] for the effort which they have made to achieve a better understanding of the situation and to make what I consider to be a very sensible decision. I hope the study will be undertaken, as it must be.

Mr. JAVITS. Mr. President, I associate myself with the position of the Senator from Colorado, the Senator from Rhode Island, the Senator from Minnesota, and the Senator from Oklahoma, who have agreed upon this excellent method of handling the problem. I favor the amendment.

Mr. CARROLL. Mr. President, I desire to have the RECORD show that the Senator from Michigan [Mr. HART] has been a source of great comfort and support to me as we have compiled the data for discussion. I did not want the vote to be taken without making this statement, since the Senator from Michigan is not in the Chamber at the moment, and Senators should not be foreclosed from speaking. I desired to give proper recognition to the Senator from Michigan.

I am ready for the vote.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Colorado [Mr. CARROLL].

The amendment was agreed to.

Mr. JAVITS. Mr. President, before the final vote is taken on the bill, I should like to make some comment upon the action of the Senate in regard to the increases in postage rates. I deprecate tying postal rates to postal pay and have disapproved of this practice. But as it has been done by the committee with the clear indication that without it there would be no postal pay raise this year, realism requires its support. For the right of the postal workers to a fair raise is to me very clear and the issue is to actually achieve one by the means which are required to achieve it.

Like many Members of Congress, I have received a great volume of mail in protest against the rate increases provided for in the House version of the bill, and which has now been beneficially adjusted in the Senate version. The problem of raising sufficient revenues to cover a major part of the cost of our postal system is a longstanding one and one which the committee in reporting this bill is frank to admit is not entirely solved by the bill. But the bill does seek to reduce materially the deficit in the operation of the postal system, and recognizes it is most important that in doing so the Congress not stifle certain public interest uses of the mails for which rightfully we as a people and as taxpayers should pay.

I believe that the committee has attempted to satisfy this need in dealing with second- and third-class mail provisions, which in the House bill would have very materially reduced the economic viability of many worthwhile publications. The committee eliminated the heavy surcharge which the House had placed on second-class mail, which includes magazines and newspapers, and also reduced somewhat the very large House increase in third-class rates, which relate to circulars, pamphlets, and certain other unsealed mailings.

While no one wishes to see the cost of his doing business increased, it is my understanding that users of second- and third-class mail will be able to continue their operations under the Senate version of the bill and I strongly urge that the Senate conferees insist upon that version.

From what I have heard in the Chamber this morning, that is the general purport of the feeling among Senators.

Mr. MONRONEY. Mr. President, I offer an amendment and ask that it be read. I ask unanimous consent that the distinguished Senator from Colorado be included as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The LEGISLATIVE CLERK. On page 12, in the last line of the table appearing between lines 9 and 10, it is proposed to strike out "¼" and insert in lieu thereof "⅓".

Mr. MONRONEY. Mr. President, the amendment is required because of the attempt to equalize two rates, one rate being for the very small country weekly, which was raised to one-fourth of a cent from one-eighth of a cent.

Representatives of the National Editorial Association and other editorial groups representing the press, and particularly the smaller press, appeared before the committee and voluntarily agreed to give up the historic free-in-county rate.

I ask unanimous consent to have printed at this point in the RECORD a letter from the National Editorial Association to the editor of the Washington Post, dated September 27, 1962.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL EDITORIAL ASSOCIATION,
Washington, D.C., September 27, 1962.

EDITOR, THE WASHINGTON POST.

DEAR SIR: In your editorial (September 26) regarding the postal rate bill, which incorporates the amended Federal pay rates, reference is made to the fact that the proposed revision in postal rates "alters a historic policy of the Federal postal service in a way that may unhappily turn out to be decisive for some publications. It will eliminate the traditional free-in-county service so important to many country newspapers."

The National Editorial Association, as the organization representing these country and community newspapers before the Congress, would like to point out that the majority of the State newspaper trade associations, which comprise the structure of the National Editorial Association, have voted to recommend the abandonment of free-in-county. One of the foremost proponents of this position is the Virginia Press Association, one of our 39 affiliated newspaper trade groups.

A condition for voluntarily recommending to the Senate and the House Post Office Committees that free-in-county be abandoned after three-quarters of a century was that this segment of the press in America be accorded fair treatment in this postal rate bill. As the measure now stands before the Senate, we do consider it fair and equitable.

At one time free-in-county was of immense value to the hometown press. It encouraged the establishment of local newspapers produced in local printshops that could also supply the business needs of the community. If it was a Federal subsidy, it was one for the benefit of the subscriber rather than the newspaper publisher.

Newspaper publishers everywhere have resented the implication that this was a subsidy for newspapers. They will be relieved when that charge can no longer be made, since an overwhelming majority are not in favor of Federal subsidies of any nature.

As the economy of this country has changed, so has that of the country newspaper. In recent years the community newspapers, country and suburban, have enjoyed a resurgence in economic vitality and in increased services to their readers.

We must also be frank to admit that the expansion of population in many communities has permitted the Post Office to provide carrier delivery of the mails. Where such carrier service is provided, then free-in-county is not available to the newspaper and its readers.

We must compliment the Senate Post Office and Civil Service Committee membership for listening attentively to the presentations made by our representatives in this regard.

Sincerely,

THEODORE A. SERRILL,
Executive Vice President.

Mr. MONRONEY. Mr. President, I call attention especially to the third paragraph, which reads:

A condition for voluntarily recommending to the Senate and the House Post Office Committees that free-in-county be abandoned after three-quarters of a century was that this segment of the press in America be accorded fair treatment in this postal rate bill. As the measure now stands before the Senate, we do consider it fair and equitable.

That was when we had raised the rates for everyone else and had not imposed an added burden on the free-in-county publications. Therefore, I asked the chairman of the committee if, in light of the action which the Senate has just taken with respect to mail from nonprofit groups, which can be sent across the 50 States, the rate for the in-county publications could be frozen at the former rate of one-eighth cent per copy minimum.

Mr. JOHNSTON. I think we would be doing nothing but justice by accepting this amendment as we have accepted the other amendment; and also because in-county-publication deliveries have been discontinued.

Mr. MONRONEY. Incidentally, the information we have received shows that the post office will save $16 million on the basis of the cost ascertainment for free-in-county publications. But the newspapers wanted to give it up because they did not want to be subsidized.

Mr. CARROLL. Mr. President, I am happy to associate myself as a cosponsor of the amendment. I think it is fair and equitable and, under the circumstances, ought to be approved.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma [Mr. MONRONEY].

The amendment was agreed to.

Mr. JOHNSTON. Mr. President, I send to the desk an amendment to correct a possible misinterpretation that some salaries might be raised beyond $20,000. I think the amendment is proper. It does not change the provisions of the bill one iota; it is merely a clarifying amendment to make certain that the limit will be $20,000.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 101, between lines 7 and 8, it is proposed to insert a new section, as follows:

CEILING PROVISION

SEC. 1009. Except as provided in section 1005, no rate of compensation which exceeds $20,000 per annum shall be increased or established by or pursuant to this Act and no increase made by or pursuant to this Act shall cause any rate of compensation to exceed $20,000 per annum.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. JOHNSTON. Mr. President, in preparing the bill, a number of errors in spelling, punctuation, and figures were noted. I submit an amendment to make these corrections. The amendment does not change any substantive provision of the bill; it merely inserts the proper amounts. I ask that the amendment be accepted as presented.

The PRESIDING OFFICER. Without objection, the amendment will be printed without being read.

The amendment is as follows:

On page 16, line 17, before the period, insert a comma and the following: "effective January 1, 1963".

On page 57, in the first table preceding line 1, in the space containing the rate for the fifth step of level 4, strike out "6,205" and insert in lieu thereof "5,205".

On page 57, in the second table preceding line 1, in the space containing the rates for the fourth and fifth steps of level 18, strike out "17,500" and "17,400' and insert in lieu thereof "17,000" and "17,500", respectively.

On page 83, in the table appearing between lines 7 and 8, in the space containing the rate for the third step of class 2, strike out "$11,900" and insert in lieu thereof "$16,900".

On page 84, in the table appearing between lines 3 and 4, in the space containing the rate for the sixth step of class 2, strike out "12,795" and insert in lieu thereof "12,975"; and in the space containing the rate for the fifth step of class 8, strike out "5,790" and insert in lieu thereof "5,740".

On page 101, line 17, strike out "followng" and insert in lieu thereof "following".

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. MANSFIELD. Mr. President, one or two Senators may have amendments to be called up. We have sent for some of the absent Senators, to give them an opportunity to reach the Chamber, so that they may call up amendments if they desire to do so.

So, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BURDICK in the chair). The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAUSCHE. Mr. President, I call up the amendment which I have at the desk.

The PRESIDING OFFICER. The amendment of the Senator from Ohio will be stated.

The CHIEF CLERK. On page 33, it is proposed to strike out lines 6 to 8, inclusive, and to insert in lieu thereof:

(b) Federal salary rates shall be comparable with salary rates for the same level of work paid on an average by private enterprise and by State, county, and municipal governments.

On page 33, in line 19, after the word "enterprise", it is proposed to insert "and to the extent possible with the rates of salary paid for the same levels of work by State, county, and municipal governments."

Mr. MANSFIELD. Mr. President, will the Senator from Ohio yield?

Mr. LAUSCHE. I yield.

Mr. MANSFIELD. Mr. President, I propose the following unanimous-consent agreement: that on the pending amendment of the Senator from Ohio, there be a time limit of 30 minutes, with 15 minutes thereof to be controlled by the Senator from Ohio, and 15 minutes to be controlled by the chairman of the committee [Mr. JOHNSTON].

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. LAUSCHE. Mr. President, the following language appears on page 8 of the committee report:

Title I of part II states proposed Federal salary policy, provides for continuing application of the governing principles, and clarifies the role of the Executive.

The bill offers a basis for Federal pay reform by the adoption of two principles:

The comparability principle: Federal salary rates shall be comparable with private enterprise rates for the same levels of work.

That is the principle which is supposed to be the foundation for approaches to salary adjustments in the future.

Again I point out that the language of the bill provides that in the future salaries shall be adjusted on the basis of comparability with salaries paid in private enterprise.

My amendment contemplates declaring it as a principle that Federal salaries shall be related to the average salary paid by private enterprise, municipal, county, and State governments.

It is justified to ask, Why does the principle embody only the salaries paid by private enterprise, and not by municipal, counties, and State governments? In fixing salaries on the Federal level, should we not give consideration to what is paid by municipalities, counties, and State governments? My answer to that question is that it is inequitable and illogical to make the comparison only on the basis of salaries paid by private enterprise. A logical comparison would be the relationship with salaries paid by governments. Then we would have the approach by which governments, by their legislative branches, fix salaries. Governments are more amenable to public reaction than is private enterprise.

The bill as it is now written says, "Pay no attention to what States, counties, and municipalities are paying, but relate Federal salaries only to salaries paid by private enterprise."

Now I wish to read from page 7 of the report:

ESSENTIAL FLEXIBILITIES

To maintain Federal salaries at levels comparable with private enterprise levels and to assure that other features of statutory salary systems are corrected and improved as experience shows the need, the bill provides that the President shall require an annual report, from an agency he designates—

And I suppose it will be the Labor Department—

on the relationship of Federal salaries to those in private enterprise and shall submit an annual report to Congress recommending the adjustments in salary schedules, structure, and policy he considers advisable.

It will be observed that the bill requires the President to designate an agency to make a study of the salaries paid in private enterprise; and, when that study is made, to recommend to Congress what is needed to be done to equitably relate Federal salaries with those of private enterprise. Nowhere is it mentioned that the salaries of Connecticut, Ohio, California, Wisconsin, or Iowa should be studied.

I have some knowledge on that subject, because I was Governor of Ohio for 10 years, and I know the Federal Government was constantly pirating the employees of the State.

The salaries of the States, under the language of the bill, will not be considered at all. I submit to the Senate that that is not a proper approach.

Let us take a look at what happens when the salaries in private enterprise are considered. I do not intend to be denunciatory in what I am saying; but, the way we are heading, private enterprise is pricing itself out of world markets. If we follow salaries being paid in private enterprise we shall build up a salary obligation on the part of the Federal Government that will further increase the burdens on the already bent backs of the taxpayers of our country.

In the report there are discussions pointing out that private industry is paying salaries of $32,000, $35,000, and $40,000 a year. I supose that is so, but the Federal Government is primarily responsible for it as a result of the work in which it has engaged in space and defense.

About 6 or 8 weeks ago, I called a meeting of economists, businessmen, and university leaders of Ohio to learn why Ohio was losing research and development assignments. I asked the question of practically every one of the 25 or 30 persons present, "Are you losing scientists and research men to the Federal Government and to competing scientific institutions?" The answer invariably was, "Yes."

In space work and in defense contracts, frequently assignments of research are let on a cost-plus basis. Competitors A, B, C, D, and E are all engaged in the same type of research work for the Federal Government. The Federal Government says to A, B, C,

D, and E, "You do the research, hire the scientists you need, pay them whatever salaries you must, and we will reimburse you." The result is that A, B, C, D, and E begin to compete with each other, pirating from each other the scientists needed in their development work. The consequence is that the salary structures have been built up to $25,000, $30,000, and $35,000.

Mr. CURTIS. Madam President, will the Senator yield?

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). Does the Senator yield?

Mr. LAUSCHE. I yield to the Senator from Nebraska.

Mr. CURTIS. I think the amendment of the distinguished Senator from Ohio has a great deal of merit. I saw an article a few moments ago concerning teachers in Nebraska. Teachers are taxpayers, too, and many of them render a great public service. The article referred to Grand Island, Nebr., the third largest city in Nebraska. The article reads:

> Under the new schedule, which was explained to the faculty at a general meeting Monday afternoon at senior high school, teachers with a bachelor's degree can earn to a maximum of $5,600 annually.
>
> Those with master degrees will get a minimum of $4,700 a year and a maximum of $6,200 a year.

When that is considered in the light of some of the salaries to be paid under the terms of the bill, it certainly causes one to pause in reference to the bill. I thank the Senator.

Mr. LAUSCHE. Of course that is true. We make the condition worse all the time. The more we pump up our salaries the worse becomes the relationship with those whom the Senator describes.

Mr. HICKENLOOPER. Madam President, will the Senator yield?

Mr. LAUSCHE. I yield to the Senator from Iowa.

Mr. HICKENLOOPER. I was interested in the Senator's discussion a minute ago about the competition of the Government for scientists. As I understood the Senator's statement, I believe it was absolutely correct.

I have not had a check made for 3 or 4 years, but we heard for many years in the committee that the Atomic Energy Commission needed to increase salaries—and it did—because the Government was having such a great competition in regard to getting scientists and scientific personnel to work for the Commission.

We made several checks. Finally, when witnesses took the stand, where they had to give their testimony, they testified that they had no trouble geting scientists to work for the Government at the salaries they were paying; that there was no shortage for their needs; and that they probably got a greater share; proportionately, than did business and some of the educational institutions. Government really was having no trouble at that time, although the claim was made, when the salary scale was presented, that the Commission was having a death struggle to induce these people to work for Government.

A short time ago one of the Washington newspapers conducted a survey, and discovered that 95 percent of all the schedule C jobs in Government, which are the policymaking jobs, were held by individuals who were receiving more pay in the Federal Government than they ever got in private life.

Mr. LAUSCHE. Yes.

Mr. HICKENLOOPER. That survey was conducted by one of the newspapers.

Mr. LAUSCHE. Madam President, under the terms of the bill the President is to appoint an agency to gather statistics. That agency, under the language of the bill, is to gather statistics only from private enterprise. My proposal is that the agency also learn what is being paid by municipal, county, and State governments. I wish the statistics were available. I called the Department of Commerce, and that Department does not have them. I found out what the State of Ohio pays from the State of Ohio.

I see that the Senator from Idaho [Mr. JORDAN], the former Governor of that State, is in the Chamber. I hazard the statement that if the Senator would compare the salaries paid by the Federal Government with those paid to State employees in his State, he would find they probably are 40 percent more than the salaries paid in the State.

Perhaps there are some State or local government employees who are paid more, but the problem really is one of the States being unable to obtain employees in competition with the Federal Government.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired. The Senator from South Carolina has 15 minutes.

Mr. LAUSCHE. Madam President, may I ask for the yeas and nays at this time?

The PRESIDING OFFICER. The Senator from South Carolina has the floor.

Mr. LAUSCHE. Will the Senator from South Carolina yield so that I may request the yeas and nays?

Mr. JOHNSTON. I yield for that purpose.

The PRESIDING OFFICER. The yeas and nays have been requested.

The yeas and nays were ordered.

Mr. JOHNSTON. Madam President, I yield to the Senator from Florida [Mr. SMATHERS].

Mr. SMATHERS. Madam President, as we all know, three pieces of badly needed legislation have been under careful consideration by the Senate Committee on Post Office and Civil Service for some while. The bills were to provide a just and equitable pay raise for all postal and Federal workers, a long-overdue postage rate increase, and a modern and humane upward adjustment of annuities for retired Federal employees.

As the time for the adjournment of Congress approached, there were some Members of this body who grew apprehensive about the fate of these bills. The time was growing short. The technicalities involved in getting the proposed legislation out of committee were great.

However, those who were apprehensive underestimated the quality of leadership with which the distinguished chairman of the Senate Post Office and Civil Service Committee [Mr. JOHNSTON] is endowed, and reckoned not with the wisdom and bipartisan liberality of the committee members—particularly the able Senator from Oklahoma [Mr. MONRONEY], and the distinguished Senator from Pennsylvania [Mr. CLARK]—both among the majority and the minority. With infinite care and consideration they sifted the testimony on all three proposed pieces of legislation, ironed out the "bugs" and the inadvertent inequities, and produced an omnibus bill covering all three areas where improvement is needed. In my opinion, Madam President, this was committee work at its best, and the Senators who produced this legislation should be roundly congratulated by all the Members of this body.

We have an opportunity now to fulfill three pressing needs in approving a single bill. This is intelligent legislation. It is fair legislation. It is badly needed legislation. I certainly hope that this body will support the unanimous action of the Post Office and Civil Service Committee as quickly as possible.

I thank the Senator for yielding.

Mr. JOHNSTON. Madam President, I thank the Senator from Florida for his remarks. I know the committee as a whole appreciates what he has said about the committee and its members.

The PRESIDING OFFICER. Does the Senator from South Carolina yield back his remaining time?

Mr. JOHNSTON. Madam President, I yield 2 minutes to the Senator from New York [Mr. KEATING].

The PRESIDING OFFICER. The Senator from New York is recognized for 2 minutes.

Mr. KEATING. Madam President, I commend the committee for bringing the bill before the Senate. Personally I should have preferred to see the proposed legislation brought before the Senate in two packages, one dealing with postal rates, and the other dealing with pay raises for postal and other Federal employees. However, to oppose the bill as it stands would be to seek to defeat the effort to give well-justified relief to underpaid postal and other civil service employees, whose compensation in general, even after the passage of the bill, will be substantially less than that paid for comparable work in private industry.

Particularly as regards the postal workers, these pay increases are warranted, not only by the cost of living but also by the continuing fine work and effort of employees. Without the benefit of their labor, the Nation's mail could not be distributed and a very large part of the Nation's business could not be be transacted. Without their labor individuals could not communicate with one another and overcome the barriers of distance which separate many of us from our loved ones. In short, their

work is indispensable. We could not do without it, ever.

Yet the conditions under which many postal employees work are not always easy or pleasant ones. The work is tiring. The pay rates have never, in all fairness, been generous. Raises have been hard to get. Although the pay raise recommended in this bill is a moderate one, the increase will make it easier for postal workers, many of whom hold two jobs, to provide better for their families and to make ends meet and it will provide well-deserved recognition for their serious needs. The committee has acted wisely in rejecting the proposal to put off any pay raise until next year.

Mr. President, I am very happy to support particularly that title of this legislation which provides for a fully merited pay raise for the Nation's postal and other Government employees. I hope this bill will pass by an overwhelming vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. LAUSCHE]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from California [Mr. ENGLE], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Indiana [Mr. HARTKE], the Senator from Alabama [Mr. HILL], the Senator from Washington [Mr. MAGNUSON], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

I further announce that the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. HICKEY], and the Senator from Missouri [Mr. LONG] are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. GRUENING] would vote "nay."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Indiana [Mr. CAPEHART], the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senator from New Hampshire [Mr. COTTON], the Senator from Kentucky [Mr. MORTON], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from New Hampshire [Mr. MURPHY] is detained on official business.

On this vote, the Senator from South Dakota [Mr. BOTTUM] is paired with the Senator from Kentucky [Mr. MORTON]. If present and voting, the Senator from South Dakota would vote "yea," and the Senator from Kentucky would vote "nay."

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Kansas [Mr. CARLSON]. If present and voting, the Senator from Indiana would vote "yea," and the Senator from Kansas would vote "nay."

On this vote, the Senator from Texas [Mr. TOWER] is paired with the Senator from Kansas [Mr. PEARSON]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Kansas would vote "nay."

The result was announced—yeas 21, nays 59, as follows:

[No. 284 Leg.]

YEAS—21

Allott	Goldwater	Mundt
Bush	Hickenlooper	Robertson
Butler	Holland	Saltonstall
Byrd, Va.	Hruska	Thurmond
Cannon	Jordan, Idaho	Wiley
Curtis	Lausche	Williams, Del.
Dodd	Miller	Young, Ohio

NAYS—59

Aiken	Hayden	Moss
Bartlett	Humphrey	Muskie
Beall	Jackson	Neuberger
Bible	Javits	Pastore
Boggs	Johnston	Pell
Burdick	Jordan, N.C.	Prouty
Byrd, W. Va.	Keating	Proxmire
Carroll	Kefauver	Randolph
Case	Kerr	Scott
Chavez	Kuchel	Smathers
Church	Long, Hawaii	Smith, Mass.
Clark	Long, La.	Smith, Maine
Cooper	Mansfield	Sparkman
Dirksen	McCarthy	Stennis
Douglas	McClellan	Symington
Eastland	McGee	Talmadge
Ellender	McNamara	Williams, N.J.
Ervin	Metcalf	Yarborough
Fong	Monroney	Young, N. Dak.
Hart	Morse	

NOT VOTING—20

Anderson	Fulbright	Magnuson
Bennett	Gore	Morton
Bottum	Gruening	Murphy
Capehart	Hartke	Pearson
Carlson	Hickey	Russell
Cotton	Hill	Tower
Engle	Long, Mo.	

So Mr. LAUSCHE's amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mrs. SMITH of Maine. Madam President, I send an amendment to the desk and ask that it be read.

The legislative clerk proceeded to state the amendment.

Mrs. SMITH of Maine. Madam President, I ask unanimous consent that the further reading of the amendment be dispensed with, and that the amendment be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 97, line 17, after "(d)" insert "(1)".

On page 98, line 2, strike out "$8,880" and insert in lieu thereof "$9,480".

On page 98, line 3, strike out "$18,880" and insert in lieu thereof "$20,000".

On page 98, between lines 4 and 5, insert the following:

"(j)(1) The second proviso in the paragraph relating to the authority of Senators to rearrange the basic salaries of employees in their respective offices, which appears in the Legislative Branch Appropriation Act, 1947, as amended (2 U.S.C. 60f; Public Law 87–130); is amended to read as follows: *'Provided further,* That no salary shall be fixed in a Senator's office under this section at a basic rate of more than $5,100 per annum, except that (1) the salary of one employee may be fixed at a basic rate of not more than $6,540 per annum, (2) the salary of one employee may be fixed at a basic rate of not more than $8,460 per annum, (3) the salary of one employee may be fixed at a basic rate of not more than $8,880 per annum, and (4) the salary of one employee may be fixed at a basic rate of not more than $9,000 per annum.'

"(2) The paragraph relating to rates of compensation of employees of committees of the Senate, contained in the Legislative Appropriation Act, 1956, as amended (2 U.S.C. 72a–1a; Public Law 85–462), is amended by striking out so much of the second sentence thereof as follows the words 'First Supplemental Appropriation Act, 1947,' and inserting in lieu thereof the following: 'the basic compensation of any employee of a standing or select committee of the Senate (including the majority and minority policy committees and the majority conference of the Senate and minority conference of the Senate), or a joint committee of the two Houses the expenses of which are paid from the contingent fund of the Senate, whose basic compensation may be fixed under such provisions at a rate of $8,000 per annum, may be fixed at a rate not in excess of $8,460 per annum, except that the basic compensation of one such employee may be fixed at a rate not in excess of $9,000 per annum and the basic compensation of two such employees may be fixed at a rate not in excess of $8,880 per annum.'"

Mr. MANSFIELD. Madam President, will the Senator yield briefly?

Mrs. SMITH of Maine. I am happy to yield to the Senator from Montana.

Mr. MANSFIELD. I should like to have the attention of the Senate, to propound a unanimous-consent agreement. This has been cleared with interested Senators on both sides, especially with the author of the amendment. I ask unanimous consent that 20 minutes of debate be allotted to the amendment, 10 minutes to be under the control of the Senator from Maine, and 10 minutes under the control of the chairman of the Committee on Post Office and Civil Service, the Senator from South Carolina [Mr. JOHNSTON].

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mrs. SMITH of Maine. Madam President, the amendment is identical with the amendment identified as "9–25–62—D," which was originally prepared and was to be offered by the distinguished senior Senator from Pennsylvania [Mr. CLARK].

I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mrs. SMITH of Maine. Madam President, the amendment is very simple. It would place legislative employees on the same basis as employees of the executive department.

I now yield 2 minutes to the senior Senator from Pennsylvania.

Mr. CLARK. Madam President, first I thank the Senator from Maine for calling up this amendment; secondly, I thank her for yielding me this time.

If Senators will refer to my individual views, at page 41 of the committee report, I can summarize very quickly what I have to say about the amendment.

The problem of attracting to the Federal service the best qualified careerists is already serious. It will only intensify in the future. Can we truly say we are prepared to face the challenge of this decade and those to come when, in fact, salaries for employees at the higher levels of the various schedules are a decade behind? I do not think so, and I do not believe we will until the reform is completed.

Employees who are treated worst are the employees of Senators and also the

employees of committees, on which Senators serve.

This bill also falls short in its treatment of the employees of the legislative branch. It sets a ceiling for compensation of top legislative employees substantially below that paid top career officials in the executive branch. I do not concede that the responsibilities of the staff directors of Senate committees or of the senior assistants in Senators' offices are less than those of GS–17's and GS–18's in the executive branch, but the bill before us would place the upper limit on legislative staff pay at a point somewhat below the top pay allowed to a GS–17.

I therefore support the amendment of the Senator from Maine, and I hope that on a bipartisan basis we will vote to do justice to our own employees.

Mr. SCOTT. Madam President, I support the amendment offered by the distinguished Senator from Maine [Mrs. SMITH] and the views of my colleague, the senior Senator from Pennsylvania [Mr. CLARK].

The trouble with Senators is that they are always afraid—I do not use the word in a derogatory sense—to do justice whenever their own staffs or they themselves are concerned. There is a certain timidity which sometimes causes a Senator to say, "What will the press say about me or what will a commentator say about me if I say that my employee is as good as an employee in an executive department?" In my judgment, if my employees did not work harder than some drones I have seen downtown, I would not have them on my staff.

I say to the Senator from Maine that while I have no personal intention of presently taking advantage of this particular proviso, the opportunity to do justice exists, the reservation exists, and I think it would be unfair for anyone to be critical of the proponents of the amendment, even though I am not a cosponsor of it, because if we do not meet the whole problem of fair and proper compensation, we will end by having a group of pompous knotheads downtown receiving more than they are worth, while many hardworking people downtown and on Capitol Hill are receiving less. Therefore, I am happy to support the amendment.

Mrs. SMITH of Maine. Madam President, I thank the distinguished Senators from Pennsylvania for their support of the amendment. I offered it only because the senior Senator from Pennsylvania [Mr. CLARK] advised me that he would not present it. However, I am grateful to him for having had it drafted. I urge its adoption.

Mr. JOHNSTON. Madam President, I always dislike opposing the distinguished senior Senator from Maine. She is one of our finest Senators. However, the committee made a profound study of this particular subject and concluded that a 7 percent increase was the amount that should be recommended for all these salaries.

If it is the desire of the Senate to increase the amount to 14 percent for the higher brackets, the Senate should adopt the amendment now before the Senate. I believe that the amount provided in the bill is a proper increase. As I remember, the committee was unanimous in that same view. Of course, some members of the committee proposed a higher amount.

If the bill is passed as it is written, it will do justice and work equity for our employees. I hope the amendment of the Senator from Maine will be rejected.

Mrs. SMITH of Maine. Madam President, I see no reason for placing our own people on whom we depend so much in a secondary citizen category.

I cannot subscribe to the view that our committee staff members and our individual staff members are inferior to the executive department employees and are less deserving in compensation for the importance, the quality, the efficiency and the loyalty of their service.

What is good for the executive department employees is surely good enough for our legislative department employees.

To hold any other view is to belittle the very people upon whom we depend so much in our own service to the people of our States.

Mr. KEATING. Madam President, will the distinguished Senator from Maine yield?

Mrs. SMITH of Maine. I yield.

Mr. KEATING. As I understand it, the amendment would not increase in any way the overall allowance. It would merely permit a Senator to make what he believed was a more equitable distribution within the controlled amount which each Senator is given.

Mrs. SMITH of Maine. That is correct. The amendment would not increase the overall amount; it would only provide equity as between the executive and legislative departments.

Mr. KEATING. I thank the Senator from Maine.

The PRESIDING OFFICER. The time of the Senator from Maine has expired.

Mr. JOHNSTON. Madam President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Maine. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Indiana [Mr. HARTKE], the Senator from Alabama [Mr. HILL], the Senator from Washington [Mr. MAGNUSON], the Senator from Georgia [Mr. RUSSELL], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Mississippi [Mr. STENNIS] are absent on official business.

I further announce that the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. HICKEY], and the Senator from Missouri [Mr. LONG] are necessarily absent.

On this vote, the Senator from Alaska [Mr. GRUENING] is paired with the Senator from Mississippi [Mr. STENNIS]. If present and voting, the Senator from Alaska would vote "yea" and the Senator from Mississippi would vote "nay."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Indiana [Mr. CAPEHART], the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senator from New Hampshire [Mr. COTTON], the Senator from Kentucky [Mr. MORTON], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Arizona [Mr. GOLDWATER] is detained on official business. If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Kansas [Mr. PEARSON], and the Senator from Texas [Mr. TOWER] would each vote "nay."

On this vote, the Senator from Kentucky [Mr. MORTON] is paired with the Senator from Kansas [Mr. CARLSON]. If present and voting, the Senator from Kentucky would vote "yea" and the Senator from Kansas would vote "nay."

The result was announced—yeas 38, nays 40, as follows:

[No. 285 Leg.]

YEAS—38

Aiken	Hart	Proxmire
Bartlett	Hruska	Randolph
Beall	Javits	Saltonstall
Butler	Jordan, Idaho	Scott
Carroll	Keating	Smathers
Case	Kefauver	Smith, Mass.
Clark	Kuchel	Smith, Maine
Dirksen	Long, Hawaii	Symington
Dodd	Long, La.	Wiley
Douglas	McGee	Williams, N.J.
Eastland	McNamara	Yarborough
Ervin	Murphy	Young, N. Dak.
Fong	Neuberger	

NAYS—40

Allott	Hickenlooper	Morse
Bible	Holland	Moss
Boggs	Humphrey	Mundt
Burdick	Jackson	Muskie
Bush	Johnston	Pastore
Byrd, Va.	Jordan, N.C.	Pell
Byrd, W. Va.	Kerr	Prouty
Cannon	Lausche	Robertson
Church	Mansfield	Talmadge
Cooper	McCarthy	Thurmond
Curtis	McClellan	Williams, Del.
Ellender	Metcalf	Young, Ohio
Engle	Miller	
Hayden	Monroney	

NOT VOTING—22

Anderson	Goldwater	Tower
Bennett	Gore	Stennis
Bottum	Gruening	Sparkman
Capehart	Hartke	Morton
Carlson	Hickey	Pearson
Chavez	Hill	Russell
Cotton	Long, Mo.	
Fulbright	Magnuson	

So the amendment of Mrs. SMITH of Maine was rejected.

Mr. PASTORE. Madam President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. HUMPHREY. Madam President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MILLER. Madam President, I send to the desk an amendment and ask to have it stated.

Mrs. SMITH of Maine. Madam President, will the Senator yield, so that I may place additional amendments before the Senate?

Mr. MILLER. I yield.

Mrs. SMITH of Maine. I send amendments to the desk and ask to have them stated.

The PRESIDING OFFICER. The amendments offered by the Senator from Maine will be stated.

The CHIEF CLERK. It is proposed——

Mrs. SMITH of Maine. Madam President, I ask unanimous consent that the reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered, and without objection, the amendments may be printed in the RECORD.

The amendments offered by Mrs. SMITH of Maine are as follows:

On page 37, strike out the last two lines in each of the two compensation schedules following line 11 and insert in lieu thereof in each case the following:

"GS–17	18,000	18,250	18,500	18,750	18,880	",
GS–18	18,880					".

On page 57, strike out the last two lines in each of the two compensation schedules preceding line 1 and insert in lieu thereof in each case the following:

"19	16,750	17,250	17,750	18,250	18,750	18,880 ",
20	18,000	18,250	18,500	18,880		".

Mr. MANSFIELD. Madam President, will the Senator yield?

Mrs. SMITH of Maine. I yield.

Mr. MANSFIELD. I ask unanimous consent that 20 minutes be allotted to the amendment, 10 minutes to a side, to be controlled by the Senator from Maine [Mrs. SMITH] and the Senator from South Carolina [Mr. JOHNSTON].

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mrs. SMITH of Maine. Madam President, I ask for the yeas and nays on the amendments.

The yeas and nays were ordered.

Mrs. SMITH of Maine. Madam President, now that the Senate has rejected the amendment to raise the ceiling with respect to legislative department employees to the same level as that of executive department employees, I offer this amendment to remove the discrepancy between the lower ceiling of legislative department employees and the higher ceiling of executive department employees by cutting down the ceiling for executive department employees to the same figures as the $18,880 for legislative department employees.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maine.

Does the Senator from South Carolina yield back his time? The question is on agreeing to the amendment of the Senator from Maine.

Mr. JOHNSTON. Madam President, has the Senator from Maine yielded back her time?

Mrs. SMITH of Maine. I shall be glad to, if the Senator will yield back his time.

Mr. JOHNSTON. I would like to have a moment or two to make a statement.

Mrs. SMITH of Maine. I do not yield back any time until the Senator from South Carolina has completed his statement.

Mr. JOHNSTON. Madam President, the amendment now before the Senate would change the entire plan of the Classification Act. It would throw it all out of order. If the Senate accepts the amendment it will have the worst bill it could possibly create, for the simple reason that it would apply to certain groups; it would conflict with others, and collide with those above, and there would be nothing but a conglomerated mess.

For that reason, I could not accept the amendment.

Furthermore, I point out that the committee made a study of this question, over a period of many weeks. We worked with almost every department downtown in an effort to arrive at a solution for this particular bill, and the classifications in it. There are dozens of classifications and in-grade steps, as Senators who are on the committee know.

For those reasons, I think the Senate should by all means defeat the amendment.

Mr. PASTORE. Madam President, will the Senator yield?

Mr. JOHNSTON. I yield.

Mr. PASTORE. Madam President, if I may have the attention of Senators for a moment, I hope the amendment will not be agreed to because I am afraid the amendment is to some extent in retaliation for what the Senate has just done. I voted against the previous amendment for the obvious reason that legislative employees have never been included under the civil service system. That subject has been handled by the Appropriations Committee. Time and time again we have received requests to make certain adjustments. We have considered them and have made equitable adjustments over several years.

It falls to my lot, as chairman of the Appropriations Subcommittee on Legislative Matters, to deal with this problem year in and year out. Possibly the Senator from Maine has a point, but we have not been given an opportunity to consider it. That is the reason why I voted against her previous amendment.

With respect to the pending amendment, I do not think we ought to disrupt the formula that has been arrived at by the Democratic and Republican members of the Post Office and Civil Service Committee. I assure the Senator from Maine, for whom I have the highest respect, that come next year, we shall be perfectly willing to listen to whatever arguments she has respecting any problems she has within her own office, and do what is equitable.

If the ceiling were raised, with the appropriation made to each office, I fear that we would be in serious trouble. If the ceiling for the salaries of the three top employees were raised and all the money were used, the money would be taken away from those at the bottom of the list.

I fear that the Senate acted too hastily on the previous amendment, but, I assure the Senator from Maine that, come the next session of the Congress, we will consider any complaints or suggestions made on the part of any Members of the Senate with reference to the operation of their own offices; but I do not think we ought to take out of this bill those who deserve an increase.

Mrs. SMITH of Maine. Madam President, I think perhaps the distinguished Senator from Rhode Island does not recall the fight I made on this very question in the Appropriations Committee. I am not talking solely about staffs of all Senators. I am also talking about members of committee staffs in the Senate.

Mr. PASTORE. Madam President, will the Senator yield for a question?

Mrs. SMITH of Maine. I yield.

Mr. PASTORE. Does she not feel that our committee, of which she is a member, has jurisdiction over this subject?

Mrs. SMITH of Maine. I do. But if the committee, of which we are both members, does not act, we have a right to seek consideration on the floor of the Senate.

Mr. PASTORE. The Senator did not present this question. We have just gone through the consideration of the bill. This is the first time I have heard of the proposal. The Senator from Pennsylvania asked that the fourth person on his staff be given the same salary as the third person, and we went along with that suggestion. We have never resisted the charming Senator from Maine.

Mrs. SMITH of Maine. I thank the distinguished Senator for his kind words, but as a member of the legislative subcommittee of the Appropriations Committee, I took this question up and worked very hard on the problem 4 or 5 years ago. Not only did I receive no response; I got no cooperation whatever. I think it is time for Senators to realize that our employees, both in our offices and in our committees, should be recognized in the same way that similar employees are recognized in other branches of the Government.

Mr. LONG of Louisiana and Mr. PASTORE addressed the Chair.

Mrs. SMITH of Maine. Madam President, I do not appreciate the Senior Senator of Rhode Island becoming personal with respect to my own staff. In his first statement on this amendment he implied that I was offering this amendment just to help my staff. That is not true. I offer this amendment with respect to all Senators' staffs, and all Senate committee staffs and it would affect probably two hundred or more Senate employees—not just the members of my staff.

Mr. LONG of Louisiana. Madam President, will the Senator yield?

Mrs. SMITH of Maine. I am glad to yield.

Mr. LONG of Louisiana. I say to the Senator from Maine that I did not hear the previous debate, but came into the Chamber in time to vote on the amendment. As one Senator, I appreciate what the Senator from Maine has tried to do with respect to administrative assistants. I know that a number of Senators have had administrative assistants who have come to our offices from jobs which paid them more than they are now receiving. They came at a considerable sacrifice.

I have had the experience of having someone on the committee staff come to me to ask for a recommendation for a position in the executive branch because he could no longer afford to make the sacrifice of serving the legislative branch. Invariably those are the most dedicated and deserving employees, who cannot be given raises because of the situation which prevails.

Perhaps some Senators do not have administrative assistants who are as good as others. That is the only excuse I can think of for the Senate declining to go along with the previous amendment.

Mrs. SMITH of Maine. I thank the Senator.

Mr. LONG of Louisiana. However, I am not sure I can go along with the Senator on this amendment. I think we should take action to see that deserving employees are paid what they should be getting, rather than to reduce the pay of employees in another branch of the government.

Mrs. SMITH of Maine. I thank the Senator from Louisiana.

Mr. SCOTT. Madam President, will the Senator yield?

Mrs. SMITH of Maine. I am glad to yield to the Senator.

Mr. SCOTT. To do justice is to love equity. That is what we seek to do, in support of the amendment offered by the Senator from Maine.

If Senators voted against the other amendment on the ground that they were voting for economy, surely they should vote for this amendment on the ground that they will be voting for economy, because the amendment undertakes to reduce certain salary schedules.

If Senators wish to go to their home States and say, "I voted for economy" this is an oportunity to vote for economy.

I shall vote for the amendment because I believe there should be an even, fair, and equitable relationship between the legislative employees and the employees in the executive departments. I have heard nothing whatever from my own staff members in this regard; and I am sure that other Senators have not. This is merely an attempt to provide equal treatment for those who serve on Capitol Hill, who work very hard indeed, and who have earned recognition of equality in the handling of their salaries, particularly considering the fact that the salaries paid to many who have much less responsibility for supervision will now be above the salaries paid on Capitol Hill.

Therefore, if Senators wish to vote for justice, equality, or economy, there are three fine reasons to support the amendment offered by the Senator from Maine.

Mr. HICKENLOOPER. Madam President, will the Senator yield?

Mrs. SMITH of Maine. I yield to the Senator from Iowa.

Mr. HICKENLOOPER. I think this is a very timely and proper amendment.

I did not support the Senator's previously amendment, because it would have increased salaries which I think are already adequate, but I believe the pending amendment is very good. I think equality should be established.

I agree with some of the sentiments expressed by the Senator from Pennsylvania. I am also quite convinced that there is no dearth of applicants for jobs at the salaries which are being paid.

A while ago I called attention to the fact that I understand a survey conducted by one of the local newspapers a short time ago showed that 95 percent of the schedule C policymaking jobs in Government now are held by employees who are getting more than they ever received by way of salary in private life. Apparently, salary is not the inducement. The attempt by the departments downtown is to increase the pay of those who are already in office.

I shall support the Senator's amendment at this time.

Mrs. SMITH of Maine. Madam President, I thank the Senator from Iowa.

Madam President, I see no reason for placing our own people on whom we depend so much in a secondary citizen category.

I cannot subscribe to the view that our committee staff members and our individual staff members are inferior to the executive department employees and are less deserving in compensation for the importance, the quality, the efficiency and the loyalty of their service.

What is good enough for the legislative department employee is surely good enough for the executive department employees.

To hold any other view is to belittle the very people upon whom we depend so much in our own service to the people of our States.

Mr. YARBOROUGH. Madam President, will the Senator yield?

Mr. JOHNSTON. I yield 2 minutes to the Senator from Texas, Madam President.

The PRESIDING OFFICER. The Senator from Texas may proceed for 2 minutes.

Mr. YARBOROUGH. Madam President, it seems to me that most of the discussion of the pending amendment has been about the legislative pay raise. I wish to point out that the pending amendment would not apply to the legislative employees, but would apply to the pay of those who serve in the executive branch. It would cut back some of the salaries in the higher brackets.

The amendment would cut back the salaries so far that a number of the salaries in the higher brackets would be cut back to a point lower than the salaries of those in lower brackets in the Government service.

We heard much testimony in this regard. The committee considered the problem for a long time.

The report was a unanimous report by the Democratic and Republican members of the committee. We did not seek to raise the level of salaries of those in the executive department as the House committee recommended. We did not seek to raise them as the executive department recommended. We held them down to minimal raises, with the thought that a comprehensive bill could be offered next year with respect to the desires of the executive branch to obtain people who have exceptional talent.

If this is cut back in the manner proposed, it will hurt our scientific research program. The very purpose of the raises for employees in the executive branch is to make it possible to obtain technical and skilled personnel.

I point out for the information of Senators the tables apearing at pages 84 and 85 of the report. I respectfully invite attention of the Senate to the proposed raises.

The amendment would cut back the salaries for surgeons in the Veterans' Administration, the salaries for Foreign Service officers, the salaries for scientific personnel, though we are losing them now because of higher salaries paid in private industry. We cannot hold these employees at the present salary rates.

I respectfully urge, after having listened to this discussion and to the testimony for many days in the committee—for this question was discussed many days in executive session, and did not have merely 1, 2, or 3 days' consideration, but had weeks of consideration in executive session—that the amendment not be agreed to.

Again I point out that the bill was unanimously agreed to by Senators on both sides of the aisle. We did not provide the high raises requested. That matter was reserved for later consideration, in a proposal to be presented next year.

I respectfully urge the Senate not to cut back the modest raises provided for those in the executive branch.

Mr. PASTORE. Madam President, will the Senator yield me 2 minutes?

Mr. JOHNSTON. I yield 2 minutes to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island may proceed for 2 minutes.

Mr. PASTORE. Madam President, I merely wish to leave one further thought with the Members of the Senate. The power to regulate salaries of legislative employees has always been reserved to the Congress. We have never included

that power under the Civil Service provisions.

What was bad about the previous amendment is that we would have been delegating authority. We would have been writing that authority under the Civil Service law.

We do not preclude consideration of what was intended by the previous amendment. I am only asking that we consider these things at the proper time. We can consider the problem next year, in the next session of Congress. The request can be renewed at that time.

The distinguished Senator from Maine said that 4 or 5 years ago she tried to do this, and has tried to do it for 4 or 5 years. Unfortunately I was not the chairman of the subcommittee.

I ask the distinguished lady from Maine to give me an opportunity to consider the problem. I have been chairman of the subcommittee only a year. I hope she will give me an opportunity.

Mr. LONG of Louisiana. Madam President, will the Senator yield?

Mr. PASTORE. I yield to the Senator.

Mr. LONG of Louisiana. Could the Senator possibly consider this problem in the remaining days of this session of Congress?

Mr. PASTORE. That would be quite impossible. I do not think we could work it out with the House. It is not that urgent. After all, any adjustment can be made in good time. There is no emergency involved.

It is true that if we raise the wage scales under the civil service law we may be compelled, in all equity, to do the same for the legislative employees. We should go into the qeustions of whether the money appropriated would be sufficient to do so, and other related matters. We should like to hear from all Senators. But this ought to be done in an unhurried and systematic way.

What I say this afternoon is "Don't delegate away the authority we have. We have reserved this to ourselves. Don't give it to the Civil Service Commission under the law."

Mrs. SMITH of Maine. Madam President, will the Senator from Rhode Island yield for a question?

Mr. PASTORE. I yield.

Mrs. SMITH of Maine. Is the Senator from Rhode Island willing to give the Senate some idea of the date we might consider this in the legislative subcommittee next year?

Mr. PASTORE. Within the first week after we come back in January.

Mrs. SMITH of Maine. I thank the Senator.

Mr. FONG. Madam President, will the Senator yield me 2 minutes?

Mr. JOHNSTON. I yield 2 minutes to the Senator from Hawaii.

The PRESIDING OFFICER. The Senator from Hawaii may proceed for 2 minutes.

Mr. FONG. Madam President, I am a member of the Committee on Post Office and Civil Service. We spent long hours considering the bill.

I sympathize with what the senior Senator from Maine is trying to do. In fact, I tried to do the same thing in the committee, but I was not successful.

I voted with the Senator on the first amendment. I thought our administrative assistants should have the same pay as the GS–17's.

The amendment of the Senator from Maine would lower the wages of those classified as GS–17, which would wreak havoc upon the schedule which has been presented to the Senate. The schedule presented to the Senate has been devised by experts. The differences between one grade and one step and other grades and steps must be calculated very meticulously. If the Senate should agree to the amendment of the Senator from Maine, the action would be disastrous to the schedule. So I ask Senators not to vote for the amendment.

I sympathize with what the Senator from Maine is trying to do. I believe that the administrative assistants should have the same pay as those in grade GS–17. When such a measure comes before the Senate again, I shall vote for it.

The PRESIDING OFFICER. Does the Senator from South Carolina yield back the remainder of his time?

Mr. JOHNSTON. Madam President, I yield back the remainder of my time.

The PRESIDING OFFICER. The time of the Senator from Maine has expired.

Mrs. SMITH of Maine. Madam President, in view of the assurances of the chairman of the Subcommittee on Legislative Appropriations, I ask unanimous consent that the order for the yeas and nays be rescinded and that the amendment be voted upon by voice vote.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Maine? The Chair hears none, and it is so ordered.

The question is on agreeing to the amendment of the Senator from Maine [Mrs. SMITH].

The amendment was rejected.

VISIT TO THE SENATE BY HON. NICK McKENNA, MINORITY LEADER OF THE AUSTRALIAN SENATE

Mr. DIRKSEN. Madam President, today we are honored by the presence in the Chamber of a distinguished visitor. He is the minority leader of the Australian Senate. His name is Nick McKenna. The minority party there is known as the Australian Labor Party. It is my pleasure to present at this time Hon. Nick McKenna, minority leader of the Australian Senate. [Applause, Senators rising.]

The PRESIDING OFFICER. The Senate is pleased to have the distinguished visitor with us, and hope that his visit will be rewarding.

Mr. DIRKSEN. Madam President, I ask unanimous consent that the Senate stand in recess, subject to the call of the Chair, so that Senators may meet our distinguished visitor.

There being no objection, at 3 o'clock and 33 minutes p.m., the Senate took a recess, subject to the call of the Chair.

At 3 o'clock and 36 minutes p.m., the Senate reassembled on being called to order by the Presiding Officer [Mrs. NEUBERGER in the chair].

POSTAL SERVICE AND FEDERAL EMPLOYEES SALARY ACT OF 1962

The Senate resumed the consideration of the bill (H.R. 7927) to adjust postal rates, and for other purposes.

Mr. KERR. Madam President, yesterday the distinguished majority leader, the Senator from Montana [Mr. MANSFIELD], placed in the RECORD a statement by the Senator from Oklahoma on the pending bill, H.R. 7927, with reference to certain positions in the National Aeronautical and Space Administration.

I invite the attention of the chairman of the committee, the distinguished Senator from South Carolina, to the following statement, which appears in the middle of page 19697 of the RECORD, and ask him if he has read the statement and if it sets forth accurately the intent of the bill as the Senator from South Carolina understands it:

STATEMENT BY SENATOR KERR ON H.R. 7927

I note that this measure, H.R. 7927, made no changes in the number of excepted positions for the National Aeronautics and Space Administration. The space program and the Nation faces its greatest scientific and technological effort, and NASA is this coming year doubling its effort in this regard.

I am happy to see that the Committee on Post Office and Civil Service raised from $19,000 to $20,000 the current ceiling for NASA's 395 excepted positions. However, the 30 positions currently authorized to be paid up to $21,000 were unaffected. I assume that these latter positions fall in category of positions which the committee points out in its report will be considered "in conjunction with a reform of top level executive salaries which were not included in the proposals submitted by the President and a consideration of the executive pay problem in its full dimensions at one time rather than by treating one part now and the rest later."

It was the intent of the administration proposal that in addition to its excepted positions the needs of NASA above GS–15 would be met under the authority of the Civil Service Commission to allocate positions to GS–16, GS–17, and GS–18. Since this is a different measure, I nevertheless understand that this is still true and that these NASA needs will be met by the Civil Service Commission from the authority it obtains in this bill in section 606(a), which provides for the allocation, without limitation, of professional engineering positions primarily concerned with research and development.

Mr. JOHNSTON. Replying to the Senator from Oklahoma, I agree that what is set forth is correct.

Mr. KERR. I thank the Senator.

Mr. MILLER. Madam President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from Iowa will be stated.

The LEGISLATIVE CLERK. On page 32, line 2, it is proposed to strike the words "for delivery" and insert in lieu thereof the following: "which is promptly delivered".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa.

Mr. MILLER. Madam President, my amendment is designed to make a little more meaningful the provision in the bill relating to the mailing of Communist literature. The bill as it is presently drafted provides for an exception to the restrictions on Communist literature in the case of the material addressed for delivery in the United States pursuant to a reciprocal international agreement under which the U.S. Government mails an equal amount of material for delivery in any country. That provision is not meaningful because we all know that we can send mail to one of these nations and it can be "for delivery," but there is no guarantee and no assurance that it will be delivered. Furthermore, we know that there are instances in which it has not been.

My amendment provides that in lieu of the words "for delivery" the words "which is promptly delivered" would be substituted therefor.

I recognize very well that such a provision would not be easy to administer. I recognize that it would be virtually impossible in some instances to maintain a current check. Nevertheless, the very fact that there is such language in the bill would put countries on notice that we expect prompt delivery, just as we furnish prompt delivery to them; that we will be checking up on them, and that if they do not deliver mail promptly we will be in a position to call the deal off. This is a good amendment. It would merely clarify what is already in the bill. I believe it is in harmony with the intention of the committee.

Mr. JOHNSTON. Madam President, the amendment the Senator from Iowa has offered should not be accepted. Therefore, I am opposed to it. The language in the bill is agreed to by the majority of the committee whether every member thereof agreed to the particular amendment or not.

Mr. CLARK. I sustain my chairman in his position. I would not like to see adopted the language proposed by the Senator from Iowa. I hope his amendment will be defeated.

Mr. JOHNSTON. It would be impossible to define "promptly delivered." Therefore, I oppose the amendment.

Mr. MILLER. I ask for the yeas and nays. I understood that the Senator from South Carolina might have some substitute language to propose.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Indiana [Mr. HARTKE], the Senator from Alabama [Mr. HILL], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Washington, [Mr. MAGNUSON], the Senator from Georgia [Mr. RUSSELL], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Mississippi [Mr. STENNIS], are absent on official business.

I further announce that the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. HICKEY], and the Senator from Missouri [Mr. LONG] are necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Indiana [Mr. HARTKE], the Senator from Alabama [Mr. HILL], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Washington [Mr. MAGNUSON], the Senator from Alabama [Mr. SPARKMAN], the Senator from Mississippi [Mr. STENNIS], the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. HICKEY], and the Senator from Missouri [Mr. LONG], would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Indiana [Mr. CAPEHART], the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senator from New Hampshire [Mr. COTTON], the Senator from Kentucky [Mr. MORTON] and the Senator from Texas [Mr. TOWER] are necessarily absent.

On this vote, the Senator from South Dakota [Mr. BOTTUM] is paired with the Senator from Kansas [Mr. CARLSON]. If present and voting, the Senator from South Dakota would vote "yea," and the Senator from Kansas would vote "nay."

On this vote, the Senator from Texas [Mr. TOWER] is paired with the Senator from Kansas [Mr. PEARSON]. If present and voting, the Senator from Texas would vote "yea" and the Senator from Kansas would vote "nay."

The result was announced—yeas 15, nays 62, as follows:

[No. 286 Leg.]

YEAS—15

Allott	Hickenlooper	Mundt
Curtis	Hruska	Prouty
Dirksen	Jordan, Idaho	Scott
Dodd	McClellan	Thurmond
Goldwater	Miller	Wiley

NAYS—62

Aiken	Hart	Moss
Bartlett	Hayden	Murphy
Beall	Holland	Muskie
Bible	Humphrey	Neuberger
Boggs	Jackson	Pastore
Burdick	Javits	Pell
Bush	Johnston	Proxmire
Butler	Jordan, N.C.	Randolph
Byrd, W. Va.	Keating	Robertson
Cannon	Kerr	Saltonstall
Carroll	Kuchel	Smathers
Case	Lausche	Smith, Mass.
Church	Long, Hawaii	Smith, Maine
Clark	Long, La.	Symington
Cooper	Mansfield	Talmadge
Douglas	McCarthy	Williams, N.J.
Eastland	McGee	Williams, Del.
Ellender	McNamara	Yarborough
Engle	Metcalf	Young, N. Dak.
Ervin	Monroney	Young, Ohio
Fong	Morse	

NOT VOTING—23

Anderson	Fulbright	Magnuson
Bennett	Gore	Morton
Bottum	Gruening	Pearson
Byrd, Va.	Hartke	Russell
Capehart	Hickey	Sparkman
Carlson	Hill	Stennis
Chavez	Kefauver	Tower
Cotton	Long, Mo.	

So Mr. MILLER'S amendment was rejected.

Mr. MUNDT. Madam President, for myself and on behalf of the Senator from New York [Mr. KEATING], the Senator from Ohio [Mr. LAUSCHE], the Senator from Arizona [Mr. GOLDWATER], the Senator from Connecticut [Mr. BUSH], the Senator from Nebraska [Mr. HRUSKA], the Senator from Maryland [Mr. BEALL], the Senator from Delaware [Mr. WILLIAMS] and the Senator from South Carolina [Mr. THURMOND] I offer an amendment which I ask to have stated.

The CHIEF CLERK. On page 32, after line 9, it is proposed to add a new section to be identified as "Sec. 307":

NOTICE WITH RESPECT TO OBSCENE MATTER DISTRIBUTED BY MAIL AND DETENTION THEREOF

"SEC. 307. In order to alert the recipients of mail and the general public to the fact that large quantities of obscene, lewd, lascivious, and indecent matter are being introduced into this country from abroad and disseminated in the United States by means of the United States mails, the Postmaster General shall publicize such fact (1) by appropriate notices posted in post offices, and (2) by notifying recipients of mail, whenever he deems it appropriate in order to carry out the purposes of this section, that the United States mails may contain such propaganda or such obscene, lewd, lascivious, or indecent matter. Any person may file a written request with his local post office to detain obscene, lewd, lascivious, or indecent matter addreessed to him, and the Postmaster General shall detain and dispose of such propaganda and such matter for such period as the request is in effect. The Postmaster General shall permit the return of mail containing obscene, lewd, lascivious, or indecent matter, to local post offices, without cost to the recipient thereof. Nothing in this section shall be deemed to authorize the Postmaster General to open, inspect, or censor any mail except on specific request by the addressee thereof. The Postmaster General is authorized to prescribe such regulations as he may deem appropriate to carry out the purposes of this section.

Mr. MUNDT. Madam President——

Mr. MANSFIELD. Madam President, will the Senator from South Dakota yield?

Mr. MUNDT. I yield.

Mr. MANSFIELD. After consultation with Senators who expect to offer amendments, with the minority leadership, and with the chairman of the Committee on Post Office and Civil Service, I should like to propose a unanimous-consent request to the effect that as to the amendment offered by the Senator from South Dakota, which is now pending, and the amendment to be offered by the Senator from New York [Mr. JAVITS], the time for debate be limited to 40 minutes on each amendment, 20 minutes to a side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. I further ask unanimous consent that with respect to each of the two amendments to be offered by the Senator from Iowa [Mr. MILLER], the time be limited to 20 minutes, 10 minutes to a side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MUNDT. Madam President, although 40 minutes have been allotted for the consideration of this amendment,

I am very much inclined to believe—knowing the chairman of the committee as I do—that he will accept the amendment, and that it will not be necessary to have a yea-and-nay vote. Of course, if the chairman of the committee does not accept the amendment, we shall request that a yea-and-nay vote be taken.

In view of the fact that the Senate has taken similar action, in order to keep Communist propaganda from being distributed to the homes of the people of America, against their will, the amendment merely provides that similar action be taken against the distribution of lewd, pornographic, or similar material which may be received from abroad. The amendment does not apply to such material which may originate in this country; but at least the amendment tends to close the door insofar as the importation of lewd pictures and lascivious material is concerned.

Mr. CLARK. Madam President, will the Senator from South Dakota yield for a question?

Mr. MUNDT. I yield.

Mr. CLARK. Is this amendment about the same sort of proposal as the one which Representative GRANAHAN brought before the House, last year?

Mr. MUNDT. I believe that it resembles it. It also resembles the amendment the Senator from Pennsylvania submitted earlier today.

Mr. CLARK. It does, indeed; but that was what is called the Walter amendment. I am merely seeking clarification.

Mr. MUNDT. We call this the Mundt-Keating - Bush - Goldwater - Lausche amendment.

Mr. CLARK. That suits me fine.

Mr. MUNDT. Madam President, I point out that the Senate has twice gone on record against this filthy business, which has developed into a million dollar business of distributing filthy material in our country; but the House has failed to act. Twice the Senate has approved legislation introduced by the senior Senator from South Dakota to take action against this smut racket. Unfortunately the House has failed to act.

Now we have set a pattern in regard to the treatment to be given to Communist propaganda material; therefore, it seems to me that we should take a similar step to protect the youth of America against this filthy and obscene material which originates from abroad. Often it is indirectly financed and supported by Communists seeking to demoralize American youth. The amendment provides that the head of the family shall be given adequate notice, by means of the establishment of notices in the lobbies of post offices; and the amendment also provides that the intended recipients of such mail shall have an opportunity to have their names taken off the delivery list.

I am inclined to believe that the chairman of the committee will accept the amendment. Therefore, for the time being I yield the floor.

Mr. PASTORE. Madam President, will the Senator from South Dakota yield for a question?

Mr. MUNDT. I yield.

Mr. PASTORE. Would the name of an intended recipient who was an innocent party be published?

Mr. MUNDT. No. This information would be for the use of the Postmaster General, to notify him of the sources of such material.

Mr. PASTORE. But the name of an innocent recipient who had nothing to do with it would not be included?

Mr. MUNDT. Definitely not.

Mr. KEATING. Madam President, will the Senator from South Dakota yield to me?

Mr. MUNDT. I yield.

Mr. KEATING. The amendment covering Communist propaganda material has now been rejected, although the Judiciary Committee unanimously voted to report such a provision to the Senate. Therefore, provisions in regard to Communist propaganda have been omitted from this amendment, because the Senate has already dealt with that matter.

The pending amendment is in precise terms the same as the amendment offered by the Senator from Pennsylvania [Mr. CLARK], except that the pending amendment includes only the part relating to obscene, lewd, and lascivious material.

I regretted, in a way, that I felt compelled to vote against the amendment offered by the Senator from Pennsylvania, because I wished to strike a blow against such dirty, filthy material coming from abroad. But because I felt that the amendment would weaken the bill as reported by the committee, I voted against it.

However, the pending amendment would reinstate in the law what has been unanimously approved by the Senate Judiciary Committee, insofar as lewd and lascivious material or matter is concerned; by notices posted in the post offices, the public would be alerted to the fact that such material was coming into this country. Innocent persons would be able to prevent future delivery to them of obnoxious or obscene mail originating overseas.

Mr. MUNDT. Madam President, I thank the Senator from New York for his contribution.

Let me say that the Senator from South Carolina [Mr. THURMOND] has asked that his name be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HRUSKA. Madam President, will the Senator from South Dakota yield to me?

Mr. MUNDT. I yield.

Mr. HRUSKA. As a member of the Judiciary Committee, I recall that this measure was considered in that committee, and was reported unanimously.

I subscribe to the thesis and content of the amendment, and I should like to support it; and, if I may have the permission of the Senator from South Dakota, I should like to have my name added in the records of the Senate as one of the cosponsors of the amendment.

Mr. MUNDT. I shall indeed be happy to have that done. I know the Senator from Nebraska was an ardent supporter of the two previous measures which I introduced on this subject, both of which were passed rather overwhelmingly by the Senate.

Madam President, I have also been asked to add as cosponsors of the amendment, the names of the Senator from Maryland [Mr. BEALL] and the Senator from Delaware [Mr. WILLIAMS]; and I am definitely in accord with having such additional sponsorship recorded, Madam President.

The PRESIDING OFFICER. Without objection, that will be done.

Mr. MUNDT. Madam President, unless the chairman of the committee is willing to accept the amendment, I ask that on the question of agreeing to the amendment the yeas and nays be ordered.

Mr. JOHNSTON. Madam President——

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from South Carolina?

Mr. MUNDT. I am happy to yield to the distinguished Senator from South Carolina.

Mr. JOHNSTON. Madam President, the Judiciary Committee, of which I am a member, voted unanimously for the provision the Senator from South Dakota has submitted by means of his amendment.

Mr. MUNDT. That is correct.

Mr. JOHNSTON. Therefore, I am inclined to accept the amendment of the Senator from South Dakota. Personally, I think the Post Office Department is already doing what is called for by the amendment.

For that reason, Madam President, at this time I accept the amendment of the Senator from South Dakota.

Mr. MUNDT. It may be that the Post Office Department has such authority, but the question is whether it is using it at the present time.

Mr. JOHNSTON. Madam President, I accept the amendment.

The PRESIDING OFFICER. Does the Senator from South Carolina yield back the remainder of the time available to him?

Mr. JOHNSTON. I do.

Mr. MUNDT. Madam President, I do likewise.

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from South Dakota [Mr. MUNDT], on behalf of himself and other Senators.

The amendment was agreed to.

Mr. MILLER. Madam President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 104, in line 5, after the word "rise", it is proposed to insert "or fall".

On the same page, line 8, after the word "increased", it is proposed to insert "or decreased, as the case may be,"

On page 104, in line 12, after the word "rise", it is proposed to insert "or fall".

On the same page, in line 15, after the word "increased", it is proposed to insert "or decreased, as the case may be."

On page 104, between lines 17 and 18, it is proposed to insert a new subsection (3), as follows:

(3) Contributions to the civil service retirement and disability fund shall be increased or decreased, as the case may be, by such percentum as will preserve the actuarial or fiscal soundness of the fund.

Mr. MILLER. Madam President, my amendment is relatively simple. I do not plan to ask for a yea-and-nay vote on the question of agreeing to the amendment.

The purpose of the amendment is quite evident. On page 104 of the bill, provision is made for an increase in annuities, based on any increase in the cost of living. It seems to me that while we are dealing with that subject, we might as well provide, also, for a decrease in the annuities if there is a decrease in the cost of living. That is the reason for proposing insertion of the words "or fall" after the word "rise."

Inasmuch as the bill provides that if there is a rise of 3 percent, there shall be an increase in the annuity, I believe, also, that if there is a decrease by a similar percentage, there should be a decrease in the annuity.

This amendment ties in with the escalation clause which today is prevalent in so many industries.

Finally, my amendment is designed to make sure that the fiscal integrity of the civil service retirement fund will be preserved. It provides that contributions by participants in the system will be increased if there is an increase in the annuities paid as a result of the increase in the cost of living. Similarly, if there is a decrease in the annuities as a result of a decrease in the cost of living, contributions will be decreased, providing what would be necessary for the fund to be fiscally sound.

That is all there is to the amendment. I am happy to yield the floor.

Mr. JOHNSTON. Madam President, I yield 2 minutes to the Senator from Pennsylvania [Mr. CLARK].

Mr. CLARK. Madam President, as chairman of the Subcommittee on Retirement of the Committee on Post Office and Civil Service, which reported the bill to the full committee, let me say that in my opinion this amendment is unwise, unsound, and unnecessary. I hope it will be defeated. It attempts to put a standard in the act with respect to retirement which has never been there before.

The real question is whether the fund is operationally sound, not whether it is actuarially sound. In a footnote to a table reflecting whether the fund is actuarially sound, it is stated:

There is no question but that the fund is operationally sound under the present system.

The amendment has not been requested or suggested by the Civil Service Commission, any representative of the fund, or anyone else. It will throw administrative and other roadblocks in the way of sound administration. I hope the amendment will be defeated.

Mr. JOHNSTON. Madam President, I call the attention of the Senate that several years ago, when retirement benefits were increased, and the amounts paid into the fund were increased, it was said that the fund would not be actuarially sound. I am glad to report to the Senate that since that time the surplus has increased from approximately $2 billion to $12 billion. That is the amount in the fund at the present time.

I hope the Senate will defeat the amendment.

Mr. MILLER. Madam President, will the Senator yield for a question?

Mr. JOHNSTON. I yield.

Mr. MILLER. If what the Senator has said with regard to several billion dollars being in the fund is true, what possible objection could the Senator have to the wording of my amendment, which merely provides that the actuarial or fiscal soundness of the fund shall not be impaired?

Mr. JOHNSTON. How can the amount paid out be increased at any time unless it is endangered?

Mr. MILLER. That is exactly the point of the amendment. The point of the amendment is to provide that there will be an increase in the contributions necessary to prevent the fund from being impaired.

Mr. JOHNSTON. Since the amounts of contributions into the fund were increased several years ago, the surplus has been increasing by leaps and bounds, almost annually. The reason for the difference in the figures is that in the actuarial accounting I do not think there is taken into account the fact that there is a turnover of 20 percent of the Federal employees each year. When those employees leave the civil service, they draw out the money they have contributed into the fund, and the amount the Government put into the fund to match the employees' contributions remains in the fund. This results in a building up of the fund year by year to a greater extent than the actuarial figures show.

Mr. MILLER. Madam President, will the Senator yield further?

Mr. JOHNSTON. I do.

Mr. MILLER. I invite the Senator's attention to a statement I made which appears in the RECORD of July 11, 1962, at page 12383, in which I said:

We are running into a similar problem—

That is, a similar problem with respect to the lack of proper funding of the social security trust fund—

now with respect to the retirement of our Federal civil service employees. In the July 2 issue of the Washington Evening Star, a timely article by Joseph Young, staff writer for the Star, calls attention to the present unfunded liability of the civil service retirement fund of $32 billion and to warnings by CSC officials that the fund will go bankrupt by 1980 if additional means of financing it are not secured.

My question to the Senator is, granted that this is merely an article——

Mr. JOHNSTON. It is an article. That might be true if every Federal employee remained in his employment and drew the maximum amount after the maximum number of years' service after he retired. This will never happen, however.

Mr. WILLIAMS of Delaware. Madam President, will the Senator yield?

Mr. MILLER. I yield to the Senator from Delaware.

Mr. WILLIAMS of Delaware. I think the RECORD should be clear, lest there be any misunderstanding, this retirement fund is not actuarially sound. I am quoting now not from a newspaper but from a letter I received from the Civil Service Commission under date of August 21, 1962. The letter is signed by John W. Macy, Jr., Chairman of the Civil Service Commission. This report was prepared at my request.

The amount of the unfunded liability as of June 30, 1962, is estimated at $33.7 billion. We estimate that enactment of S. 2937 would increase this amount as follows:

Section 1 cost $700 million, section 3 cost $900 million; or a total of $1.6 billion of unfunded liability.

S. 2937 was the bill which at that time was pending on the Senate calendar, and the substance of which is embraced in the bill before us.

So, based on the Civil Service Commission's own report, the provisions of the retirement measure before us would increase the unfunded liability of the civil service retirement fund by $1.6 billion, and there is no provision in the bill to provide for payment of the increased expenditures.

I ask the Department in the event the contributions today being made by the employees are unchanged, and those made by the U.S. Government are continued as provided under existing law, when the fund will be depleted. I quote from the same letter:

We have previously estimated that if the Government payments to the retirement fund are limited to the present agency matching contributions, the fund balance would be depleted by 1987, with increasing direct appropriations required from that year forward in order to meet benefit payments.

We may as well recognize the fact that as we increase retirement benefits without increasing contributions correspondingly from employees pay or without increasing the contributions by the Federal Government, within a matter of a few years the fund will be depleted. That estimate is based not on any newspaper reports but on a report compiled by the Chairman of the Civil Service Commission. I would favor a liberalization of the payments if those proposing these increases would also include the method for raising the money.

I ask unanimous consent that the letter be incorporated in full as a part of my remarks at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., August 21, 1962.

Hon. JOHN J. WILLIAMS,
U.S. Senate.

DEAR SENATOR WILLIAMS: This is in response to your telephone conversation of August 15 with Mr. Ruddock, in which you requested certain estimates for each section of S. 2937, a bill to adjust annuities under the Civil Service Retirement Act.

Section 1 provides a 5-percent increase, effective January 1, 1963, to annuitants than on the roll. Annuities commencing between January 2, 1963 and December 31, 1966 would be increased on a scale graded down from 4 percent to 1 percent. Survivors of annuitants who received any of the above increases would receive the same percentage

increases in their own annuities, regardless of commencing date. The ceilings on increases granted in 1952 and 1955 would be removed prospectively.

Section 2 establishes a plan for future automatic adjustment of annuities, based on changes in the cost of living. Section 3 liberalizes the reduction required to provide annuities to the surviving widows and widowers of employees retiring after its effective date and increases the survivor's rate from 50 percent to 55 percent of the basic annuity of the retiring employee. This same increase would apply to the annuities of widows and dependent widowers of employees dying in the service.

None of the following estimates include possible future cost-of-living adjustment of annuities as proposed in section 2 of the bill, since we do not feel qualified to predict future changes in the Consumer Price Index. The first such adjustment could occur no sooner than April 1, 1964. If it were at the minimum rate of 3 percent which is required to trigger an adjustment, the first year cost would be about $29 million.

The increase in benefit disbursements during the next 10 years, if sections 1 and 3 of S. 2937 were enacted, is estimated as follows:

[In millions]

Calendar year	Increase in benefits		
	Total	Sec. 1	Sec. 3
1963	$57	$56	$1
1964	61	58	3
1965	64	59	5
1966	66	59	7
1967	66	57	9
1968	66	55	11
1969	65	52	13
1970	65	50	15
1971	65	48	17
1972	65	45	20
Total	640	539	101

The amount of the unfunded liability as of June 30, 1962, is estimated at $33.7 billion. We estimate that enactment of S. 2937 would increase this amount as follows:

	Billion
Section 1	$0.7
Section 3	.9
Total	1.6

We have previously estimated that if Government payments to the retirement fund are limited to the present agency matching contributions, the fund balance would be depleted by 1987, with increasing direct appropriations required from that year forward in order to meet benefit payments. Enactment of S. 2937 would hasten this situation by about 2 years.

Sincerely yours,

JOHN W. MACY, Jr.,
Chairman.

Mr. WILLIAMS of Delaware. Madam President, I concur in the opinion of the Senator from Iowa that the time has come when if we are going to grant increased benefits from the retirement fund, we have the responsibility as directors of the fund to see that the fund remains solvent. It would be a bad situation if we should reach the point at which a retiree in the latter years of his life would find that the fund had been depleted and some future Congress had decided not to underwrite the cost.

If we want to vote for an increase in retirement benefits we should also provide for an increased contribution by the employees and the Government to pay for it. When we vote for an increase in pay for Federal employees then we should provide for corresponding increases in revenue. If we are not willing to increase contributions on the part of Federal employees and the Federal Government in order to keep the fund solvent we should not be so eager to vote increased benefits on the eve of every election.

By the same token I would support a salary increase to cover the increased cost of living, but this bill represents an increase of 8 percent to 14 percent. It will cost over $1 billion, and we can only meet this cost by borrowing the money and further increasing our debt.

To make matters worse the same group promising these salary increases and extra expenditures in every other phase of Government are also promising tax reductions.

As evidence of the political character of this pay increase I call attention to the fact that its effective date is such the Government employees will get their first pay check bearing these increases just a few days before the election.

Mr. MILLER. Madam President, I am grateful for the statement and the statistics furnished by the Senator from Delaware.

I suggest that the argument by the Senator from Pennsylvania [Mr. CLARK] is completely unresponsive to the point. He refers to actuarial soundness. This argument is not to be applied to actuarial soundness. The argument would have been responsive if he had talked about fiscal soundness, but he did not. That is the point. Are we willing to pass legislation which would tear down the fiscal soundness of the civil service retirement fund? My amendment is designed to protect the fund. It is that simple. I hope it will be adopted.

I yield back the remainder of my time.

Mr. JOHNSTON. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Iowa [Mr. MILLER].

The amendment was rejected.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa has the floor.

Mr. MILLER. Madam President, I yield to the Senator from Ohio.

Mr. LAUSCHE. Madam President, I merely wish to have the RECORD show that I voted "yea" on the amendment.

Mr. MILLER. I thank the Senator from Ohio.

Madam President, I offer the amendment which I send to the desk, which is my final amendment, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 101, lines 12 and 13, it is proposed to strike the words "by 5 per centum of the amount of such annuity" and insert in lieu thereof the following: "by such amount as can be paid from the fund, but not in excess of 5 per centum of the amount of such annuity, without impairing the actuarial or fiscal soundness of the fund and without reliance on congressional appropriations to the fund".

On page 101, lines 18 and 19, it is proposed to strike the words "in accordance with the following table" and insert in lieu thereof the following: "by such amount as can be paid from the fund, but not in excess of the amounts shown in the following table, without impairing the actuarial or fiscal soundness of the fund and without reliance on congressional appropriations to the fund".

Mr. MILLER. Madam President, this amendment is similar to my previous amendment, except that it relates to the increase provided on page 101 of the bill. The objective is the same.

The amendment provides that the increase of 5 percent be replaced by the language "not in excess of 5 per centum" and only by such an amount of increase as will still leave the civil service retirement and disability fund in a sound actuarial or fiscal condition.

I wish to point this up with a little further quotation from the CONGRESSIONAL RECORD, page 12383 for July 11, 1962, by a further reference to the article by Mr. Joseph Young, to which I previously referred, at which time I stated:

Mr. Young reports that a considerable number of Members of Congress believe the situation—

This is the desperate situation facing the civil service retirement fund—

poses a greater threat to the civil service retirement system than any plan to coordinate the retirement system with social security, as the administration is expected to advocate next year.

Madam President, I hope that in his comments on my amendment the distinguished chairman of the committee, who is in charge of consideration of the bill, will give the Senate some indication as to whether or not it is the intention of his committee to do what Mr. Young says the administration plans to do, which is to try to get the civil service retirement system integrated into the social security system next year.

I suggest that if my amendment is not adopted the situation with respect to the civil service retirement and disability fund will become so desperate that the only solution to the problem would be to integrate it with the social security retirement system, which, as we know, is already over $300 billion unfunded.

Madam President, I yield the floor.

The PRESIDING OFFICER. Does the Senator from Iowa relinquish the remainder of his time?

Mr. MILLER. No. The Senator from Iowa does not relinquish the remainder of his time, but yields the floor. Does the Senator from South Carolina wish to speak?

The PRESIDING OFFICER. Is the Senate ready to vote?

Mr. JOHNSTON. All I have to say is that I am not in favor of the amendment.

The PRESIDING OFFICER. Does the Senator from South Carolina relinquish the remainder of his time?

Mr. JOHNSTON. I will yield back my remaining time, if the Senator from Iowa will do so.

Mr. MILLER. Madam President, I ask the Senator from South Carolina if he will respond to my question with respect to the intention of the committee.

Mr. JOHNSTON. I answer the Senator in this manner: We have not studied that question at all. Neither have I studied it to see what we ought to do, or what we should consider next year. That being the position, I am not able to answer the Senator's question, because I do not know whether we will do it or not. The Senator talks about combining the civil service retirement fund and the social security fund.

Mr. MILLER. Madam President, I should like to ask the Senator a further question. Could the Senator give us some assurance that as of now there is no plan or no intention on the part of his committee that the two systems be integrated?

Mr. JOHNSTON. I answer the Senator by saying that the committee had a bill before it this year and decided not to act favorably upon the bill. That is all I can say. Does that answer the Senator's question? That is what we did. We decided not to act favorably upon the bill.

Mr. MILLER. Madam President, that does not quite answer the question by the Senator from Iowa.

Mr. JOHNSTON. The bill will die with the end of the session.

Mr. MILLER. I should like to ask the Senator from South Carolina if he is in favor of such an integration?

Mr. JOHNSTON. We have not made a thorough study. So far as I am concerned personally, I have not made up my mind on it, as I said a few moments ago. My mind is open, to look into the question to see what would be for the best interests of all the people in the United States; that is, the taxpayers as well as the recipients who would derive the benefits.

Mr. MILLER. I thank the Senator for being as frank in answer to my question as he has been.

Madam President, I suggest that Mr. Joseph Young's intimation that the administration is going to favor integration between the social security and civil service retirement systems next year probably is accurate. I hope it does not happen, but the failure to adopt the pending amendment would hasten the day.

Madam President, I yield back my remaining time.

Mr. JOHNSTON. I can only reply by saying that the bill came before the committee this year, and the committee did not act favorably upon it.

Madam President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment offered by the Senator from Iowa [Mr. MILLER].

The amendment was rejected.

Mr. JAVITS. Madam President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 107, following line 22, it is proposed to insert:

(f)(A) Section 1(j) of the Civil Service Retirement Act is amended by substituting a comma for the period at the end thereof and adding the following: "or such unmarried child between eighteen and twenty-one years of age who is a student regularly pursuing a full-time course of study or training in residence in a high school, trade school, technical or vocational institute, junior college, college, university, or comparable recognized educational institution. A child whose twenty-first birthday occurs prior to July 1 or after August 31 of any calendar year, and while he is regularly pursuing such a course of study or training, shall be deemed for the purposes of this paragraph and section 10(d) to have atained the age of twenty-one on the first day of July following such birthday. A child who is a student shall not be deemed to have ceased to be a student during any interim between school years if the interim does not exceed four months and if he shows to the satisfaction of the Commission that he has a bona fide intention of continuing to pursue a course of study or training in the same or different school during the school semester (or other period into which the school year is divided) immediately following the interim."

(B) The third sentence of section 10(d) of the Act is amended to read as follows: "The child's annuity shall commence on the day after the employee or Member dies, and such annuity granted under this Act or under the Act of May 29, 1930, as amended from and after February 28, 1948, or any right thereto shall terminate on the last day of the month before (1) his attaining age eighteen unless incapable of self-support, (2) his becoming capable of self-support after age eighteen, (3) his marriage, or (4) his death, except that the annuity of a child who is a student as described in section 1(j) shall terminate on the last day of the month before (1) his marriage, (2) his death, (3) his ceasing to be such a student, or (4) his attaining age twenty-one."

(C) Notwithstanding any other provision of law, the benefits resulting from enactment of this amendment shall be paid from the civil service retirement and disability fund.

Mr. JAVITS. Madam President, I yield myself 5 minutes. The amendment I am proposing is the subject of a bill which was favorably reported.

Mr. JOHNSTON. Madam President, to conserve time, I am willing to accept the amendment.

Mr. JAVITS. I am very grateful.

Mr. JOHNSTON. I have consulted with the members of the committee who are in the Chamber, and they have agreed.

Mr. JAVITS. I am very grateful to my colleague.

So that the RECORD will be clear, the amendment proposes that the survivors, between the ages of 18 and 21, receiving benefits under the Civil Service Retirement Act, pursuing courses in college or the schools named, may continue to receive benefits while pursuing those courses; making the provision analogous to that for the survivors of veterans.

I am very grateful to my colleague.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York [Mr. JAVITS].

The amendment was agreed to.

The PRESIDING OFFICER. The committee amendment is open to further amendment. If there be no amendment to be proposed, the question is on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill (H.R. 7927) was read the third time.

Mr. McGEE. Madam President, the debate on H.R. 7927 has had as a basic concern the spending of money—money for postage stamps and money for the salaries of Federal employees. And I think that there the connection between the two ends.

It is no secret that first-class and airmail, before the current proposed increase, paid their own way. This is the type of postal service of which the average citizen makes the most use. I voted against any raise in these rates because I do not believe that Mr. and Mrs. Average Citizen should be made to subsidize less efficient forms of postal service. I am prepared to listen to arguments that some classes of mail cannot pay their own way but I cannot believe it is either just or logical to insist that those classes that do should make up the difference.

Nor can I see that there is a connection between the wage rate for Federal employees and the cost of the mail. I believe that our civil servants should be paid a just wage for the service performed. I am in favor of the increase contained in H.R. 7927; and I so indicated by my vote, because I believe that in many cases Federal salaries have not kept up with comparable civilian salaries and in many cases salaries are too low to attract competent personnel.

Nothing could be more pennywise and pound foolish than to skimp on salaries and then see any savings go right out the window because of mediocrity of performance. Nor is it fair to trade on the patriotism and devotion of Federal employees by expecting them to work at substandard wages simply because they are doing important Government work. It is true that patriotism cannot be purchased, but neither can it be preserved with contempt.

MAGAZINES AND NEWSPAPERS: THEIR VALUE TO THE NATION

Mr. SYMINGTON. Madam President, it is not my purpose in these remarks to embark on a technical discussion of postage ratemaking; rather, to present for the consideration of my colleagues the magnificent contribution which the magazine and newspaper industry has made to the growth, the development and the unity of the United States.

The magazine and the newspaper have frequently been described as the twin pillars of free government; and we

all know that the first defense against tyranny is a free press.

In Soviet Russia and the other Communist countries, thought is a perpetual prisoner of the State, primarily because there is no privately owned press and because the Government controls every avenue of public information.

In contrast to life in a democracy, the people of Russia are compelled to live in an intellectual prison—to the point where, for the vast majority of Americans, life under such conditions would be intolerable.

But the contribution of magazines and newspapers to our national life has been something more than the negative one of preserving basic freedoms against the encroachments of tyranny. This industry of America is a unique institution; and in the creation of present-day America, it carried out a role which no other agency could have done. For business and professional groups, for farmers and educators, the magazine and the newspaper have become the normal means for carrying on that constant exchange of new ideas which is so important to the development of their work. It has performed the same service for all those interested in the Nation's social and cultural progress.

But the unique contribution of the newspaper and magazine industry is that to a remarkable degree it has quickened the creative talent of the American people. In a hundred different ways, life in the United States has become more rich and more varied, because magazine and newspaper editors have deliberately set out to stimulate and provoke new ways, and better ways, of doing things. The newspapers and magazines which specialize on homemaking and home gardening, the popular science units, those which devote themselves exclusively to travel or fashion or recreation, or the care of children—these publications over the years have provided a veritable treasure trove of new ideas for their faithful readers. The specialist magazine, independent or included as part of your newspaper, is, in fact, an American invention.

In the field of economics, the contribution of these two media has been equally impressive. Because it found ways to make the printed advertisement so attractive to its readers, this industry helped to create mass markets for the new products of all American industry which otherwise might have taken years to catch on. At the same time, by popularizing these new machines and chemicals and household appliances, newspapers, and magazines have helped to relieve the women of America from much of the neverending drudgery of household and domestic tasks.

In short, magazines and newspapers in America have helped to make life brighter, easier and happier for millions of citizens.

And they have made other contributions to the national well-being which I shall mention briefly during these remarks. At this point, let me point out that the sincerest tribute ever paid to the newspapers and magazines of America is the fact they are so widely copied in other countries. Not only private firms abroad, but even a larger number of governments now issue publications, most of which are copies, in style and format, of their American cousins.

Since the foundation of the United States, the preservation of a free press has been a goal of the National Government. The Citizens Advisory Committee, which made a comprehensive study of the postal service a few years back, reported the interesting fact that after the war with Great Britain, and even before the Declaration of Independence, the first action ever taken by the Congress was to reduce the postal rates which had been put in effect for the Colonies by the British Government.

Through all the years since, both Congress and the executive branch have continually shown this same concern for the health and well-being of the Nation's press.

Nearly a century ago, the Congress established second-class mail rates for the express purpose of aiding the spread of ideas and knowledge through magazines and newspapers. In this way, the Federal Government made it a fixed policy that the Post Office Department was more than just a business organization—it was a public service institution.

I believe that this policy of helping circulation has paid enormous dividends in terms of national understanding, national development, and national unity. Once again, the farseeing men who framed policy during the early days of the Republic knew what they were doing. These founders acted on the principle that the quick and easy transport of ideas was vital to the growth of the Nation and the preservation of democratic principles.

In our day, no one questions the validity of that proposition; but in their day it was revolutionary. In the old, closed societies of Europe the printing press was looked upon as a potential troublemaker, the handy weapon of agitators whose only purpose was to stir up discontent and strike down the established order.

In the United States the printing press was hailed as a new ally in the battle for human rights.

This attitude, so prevalent among the Founding Fathers, was well expressed by Thomas Jefferson when he said there were only two ways to influence a man—operate on his mind or operate on his body. In other words, "convince him or you can shoot him."

This was Jefferson's unique way of expressing the supremacy of the "idea" in the affairs of men. He made the idea supreme in his generation; and in this nuclear-space age, the survival of the United States may depend more upon our stockpile of ideas than it does upon our stockpile of atomic bombs.

In a December statement the President put the case well when he said:

> An open society grows or withers according to the power of its ideas and to the validity of its interior dialog.
>
> If ever the United States should reach a point where the clash of ideas comes to an end, where debate disappears, where everybody agrees with everybody else on everything, then we are finished as a nation—and the idea of freedom, to which our Nation has been dedicated since the time of Washington and Adams, Jefferson and Hamilton, perishes.
>
> From the beginning of the Republic, newspapers and magazines have provided a major forum for carrying on the interior dialog of American society.

As the President said, the great debate about every phase of life in a democracy has been going on in the press and magazines since colonial times.

It is the freedom of this discussion which has made us a great Nation; in fact, full and frank political debate is the very soul of democracy. This has been the American substitute for internal wars that have transformed some nations into military cockpits—the release valve which lets men expose their violent emotions in words instead of deeds.

The privately owned newspaper or magazine is the constant testing ground for new ideas in the political, social, and economic life of America; and the American people get more of this constant debate than any people on earth.

The number of privately owned and operated magazines and newspapers—daily, weekly, monthly, quarterly, and semiannually—is a phenomenon that never ceases to amaze visitors from abroad. Along with our unprecedented development in material resources, there has kept pace a gratifying increase in publications, many of which please the eye as well as feed the mind.

The average dentist has more publications piled up in his waiting room than some families in other lands are privileged to see, not in 1 year, but in 10 years. Surely this is a rare form of public wealth and I am delighted the pioneering fathers had the vision to encourage this phenomenon by means of relatively low postal rates.

A publisher of earlier years used to say that these media, whose circulation reached from coast to coast, had knitted the spiritual, political, and cultural unity of the United States.

Perhaps pride in his profession caused him to overstate the case; but it is a fact that the early United States had a problem faced by few other nations. The facts of geography had very largely made the French people into one nation, and the English people one nation, and ultimately the German people one nation. But the territory of the United States was large, and therefore in danger of sectional rivalries. Those papers and periodicals which regularly went across the State lines did much to develop in the average citizen loyalty to the National Government and a sense of pride in being an American.

There is one further performance by magazines for which they deserve the lasting gratitude of the American people. They have functioned for generations as the seedbed for genuine literary talent. Since the time of Edgar Allen Poe, they have served as the first outlet, and in many cases the sole outlet, for aspiring young writers who later went to enduring fame because of the excellence of their output. Many well-known American writers got their first

paycheck from magazine editors and something more besides—the first vote of confidence in their own worth as creative writers.

The story of Thomas Wolfe and his editor is the tale of an authentic genius whose great talents might have been lost forever except for the endless patience and warm sympathy of a great editor.

What happened to Thomas Wolfe has happened time and again in the editorial sanctum of the country's leading publishers. William Faulkner, Ernest Hemingway, Willa Cather—such towering figures on the literary landscape—plus a host of others, were helped along the road to success, in some degree, through these media.

We have a right to be proud of our literary heritage and we owe a debt of gratitude to those who played such a prominent part in its creation.

This land is fairly sprinkled with publications which are privately owned but which continue in business, not only to make a profit, but also because they are sincerely devoted to the development of the arts and sciences. Some have great prestige and some are virtually unknown; some are famed for their literary excellence and some are not. But their great value lies in the fact they are exploring and illuminating our conceptions about every facet of American life.

In these days of television and motion picture, some good citizens are under the mistaken impression that the printed word has less significance than it formerly had. This is a misconception. The television and the printed word are not mutually exclusive; each one has a special job to do in this modern world of high speed communication.

In its thirst for world conquest, Soviet Russia has converted the printing press into the most effective political weapon of the 20th century.

Mr. Khrushchev continues to boast about his stock of nuclear weapons, but the fact is that international communism has made its greatest advances by means of the printed word. There are many students of the subject who believe that the downfall of China was carefully prepared by the deluge of Communist propaganda which saturated that unhappy country before the actual takeover.

There are estimates that Soviet Russia is spending as much as $100 million annually on propaganda in South America alone. While the Communists make liberal use of the radio, the bookshop is the major weapon in this gigantic effort to subvert the political and economic thinking of our Latin neighbors. Books and pamphlets are distributed in heavy quantities, stressing the alleged virtues of Marxism and attempting to corrupt the minds of youth.

What is going on now in South America, and what went on in China a decade ago, is going on also in the new republics of Africa and throughout the Orient.

It would be a matter of deep regret if the Soviets can do more for tyranny through the printed word than we can for freedom.

For these reasons I am glad the Senate Post Office and Civil Service Committee reduced the high rates on second and third class mail. The publishers of some of the Nation's most distinguished news media testified before this committee that the original rates would have compelled them to suspend publication.

In my own State of Missouri, no institution exerts a healthier force for intelligent leadership and active cooperation among all community interests for the common good than our strong, locally edited, locally published newspapers. In recognition of this fact, our State established and supports the world's first and most famous undergraduate college in this field—the School of Journalism at the University of Missouri.

Mr. RANDOLPH. Madam President, will the Senator yield?

Mr. SYMINGTON. I yield.

Mr. RANDOLPH. Madam President, since I was in attendance during the hearings of the Senate Committee on Post Office and Civil Service, I can testify to the truth of what the distinguished Senator from Missouri has said this afternoon.

I was particularly impressed by the witnesses who appeared representing newspapers and magazines, so essential to the entertainment and enlightenment of the citizens of this country. These publications perform a significant service. We are a better informed people; and even though we seem to read as we run, there are substantial values which sustain us. A free press is a strengthening influence in our Republic.

Mr. SYMINGTON. Madam President, I thank my friend, the Senator from West Virginia, for his constructive remarks, especially since he did so much to get the bill in its present form before the Senate.

More than 300 community weeklies and 50 dailies are represented in the Missouri Press Association, whose manager, William Bray, is not only a former outstanding young weekly newspaper editor in our State, but also serves as professor of community service journalism at the Missouri University School of Journalism.

In speaking of the postage rate bill prior to its revision by the Senate committee, Mr. Bray said:

> I believe the proposed rates will destroy at least a dozen Missouri newspapers in the beginning, and as many as 40 within 5 years.

However, under the rates now recommended by the Senate committee, this peril is reduced so that our community newspapers, as well as our magazines, should be able to survive and continue their contribution to the Nation's welfare.

The periodicals of America constitute one of the Nation's great cultural and spiritual storehouses. They constitute one of the first lines of defense for the preservation of democratic freedoms. They are indispensable to the well-being of America—and I sincerely hope that government at all levels will continue to guard their growth and prosperity, as it has since the Nation was founded.

ILLNESS OF SENATOR DIRKSEN—DESIGNATION OF ACTING MINORITY LEADER

Mr. KUCHEL. Madam President, I very much regret to announce that our minority leader, the distinguished Senator from Illinois [Mr. DIRKSEN], has had an abdominal upset. He has been compelled to go to the hospital for a checkup. I rise not only to make that announcement, for I know all Senators will share my very deep regret, but also to have the RECORD show very clearly that, were the distinguished minority leader present, he would wholeheartedly support the bill which is now before the Senate. He believes implicitly in what the distinguished Senator from South Carolina [Mr. JOHNSTON], the chairman of the committee, and the distinguished Senator from Kansas [Mr. CARLSON], the ranking Republican member of the committee, and all other members of the committee have fashioned in the proposed legislation.

He believes that the scale of pay provided in the bill is commensurate with the abilities and capacity of employees in the postal and civil service of the Federal Government, and would give them what they deserve. He believes also that what has been accomplished jointly and unanimously by all I have named in relation to postal rates has been in the public interest. I wish the RECORD clearly to demonstrate that point.

Mr. MANSFIELD. Madam President, I join in what the distinguished Senator from California has said. The distinguished minority leader has gone to the hospital and will be there for several days. We all anticipate that he will return next week hale and hearty.

Mr. KUCHEL. The Senator is correct.

Mr. MANSFIELD. Madam President, I ask unanimous consent that a letter dated September 27, 1962, addressed to me by the minority leader, the distinguished Senator from Illinois [Mr. DIRKSEN], designating the Senator from Nebraska [Mr. HRUSKA] to serve as acting minority leader on Friday and Saturday of this week, be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
September 27, 1962.

HON. MIKE MANSFIELD,
The Majority Leader,
U.S. Senate, Washington, D.C.

DEAR MIKE: I designated Senator ROMAN L. HRUSKA to serve as acting minority leader for Friday and Saturday of this week in the absence of both Senator KUCHEL and myself. I have also notified the other members of the minority leadership. Thanks much for everything.

Sincerely,
EVERETT MCKINLEY DIRKSEN,
Minority Leader.

POSTAL SERVICE AND FEDERAL EMPLOYEES SALARY ACT OF 1962

The Senate resumed the consideration of the bill (H.R. 7927) to adjust postal rates, and for other purposes.

Mr. MANSFIELD. Madam President, I ask for the yeas and nays on passage of the bill.

The yeas and nays were ordered.

Mr. CHAVEZ. Mr. President, within the past 2 weeks I raised the salaries of my office help $1,200 a year. I do not wish the proposed additional raise to apply to them. I ask the Senator from South Carolina if each Senator will be allowed to fix the salaries of employees in his own office under the provisions of the bill?

Mr. JOHNSTON. Yes. The Senator will have a right to adjust the salaries of all employees in his office as he sees fit.

Mr. COOPER. Mr. President, I shall not be able to have my vote recorded in the regular way on this bill, because I have a pair with my dear friend and colleague, the distinguished Senator from Illinois [Mr. DIRKSEN]. For that reason I wish to speak briefly and give my reasons why I shall vote against the bill.

I vote against the bill with reluctance, because in past years I have supported many bills which have been brought before the Senate to adjust pay scales of Federal employees and to raise their pay. Among these, were bills in 1955, 1958, and 1960 increasing pay by 7½, 10, and 7½ percent, respectively, a total of 25 percent. I vote against the bill with reluctance also because I find no fault with the provisions of the bill. Good work has been done by the committees, with the purpose of adjusting equitably Federal pay scales and providing increases where they are needed.

I shall vote against the bill, first, because we do not know, and have no way of knowing, what the fiscal situation of our country will be in the latter months of this year and in the early months of 1963. We know there will be a large budget deficit. We know the deficit will be much larger than the estimate that was given by the administration when it submitted its budget at the beginning of the year. We know that items of expenditures have been added by the administration and the Congress which will increase the deficit. An addition reaching $400 million will be made for the emergency public works program, to help people without any jobs at all. Added appropriations have been made for defense.

A loss of revenue of $700 to $800 million is the result. The tax bill we have passed, and next year a second tax bill will be passed which will cause a further loss in revenue. A deficit reaching $5 to $8 billion can affect injuriously our economy, still moving slowly, with 4 million people out of work.

I am not opposed to the substance or the principle of the bill, but I believe we should not take this action until we meet again in 1964—when we will have a clearer idea of the state of our economy, on which all of our citizens depend, and which is the base of our strength and national security. Its provisions should not become effective until fiscal year 1964, for it represents an ultimate cost of about $1,400 million a year.

I would be very happy if I could vote for that section of the bill which would increase immediately the annuities of employees who have retired, and of their survivors, because they are in a different situation from those who are now employed.

I believe also that the passage of the bill this year contravenes the declared policy of the administration—that of asking labor to defer its petitions for pay increases, and industry to show restraint in raising the prices of their products.

I believe it inconsistent to ask restraint of others—and not exercise similar restraint both on the part of the administration and the Congress.

I do not believe it is proper to join the mail-rate bill to the pay raise bill. The savings from the mail-rate bill will accrue to the general revenue. However, the fact that these two bills have been joined to insure the passage of each indicates that a chief reason for the increases in mail rates is to reduce the additional deficit that will be occasioned by the pay raise sections of the bill.

It is inequitable to place upon those who use first-class mail, perhaps not technically, but certainly practically, this burden of paying for the pay raise in 1 cent additions to letters and post cards.

As I have said, it is with reluctance that I cast my vote against the bill. I will be paired with my distinguished friend, the Senator from Illinois [Mr. DIRKSEN]. I support the substance and principle of the bill, and I recognize the devoted service of those who labor for our Government.

I base my reasons for voting against the bill on what I have said. Because of the unknown factors relating to our fiscal and monetary position, the fears of recession, the policy of restraining increases in wages and prices, and the possibility that we may have to spend billions more for defense, I think it is inappropriate to pass the bill at this time.

I would have been glad to vote for this bill if the effective date had been made July 1, 1963. I did not offer such an amendment, because I knew it would have been useless to do so. There was no point in putting Senators on record, because they had already made up their minds. I recognize that deferral until 1963 would work some hardship on certain employees. But they are at work, while millions are out of work. And the first responsibility of all of us who serve the Government is to the largest interests of the Nation itself.

Mr. LAUSCHE. Mr. President, I contemplate voting against the bill. At the beginning I wish to commend the Senator from Kentucky [Mr. COOPER] for the position he has taken, and the sound reasons he has outlined in support of his conclusions.

Page 11 of the report shows that for fiscal year 1963 the cost of the pending bill will be $280 million above the cost of the bill recommended by the President of the United States. In 1964, the cost will be $167 million above the plan recommended by the President. In 1965, it will be $111 million more.

There have been deficit operations of the post office, and they will continue this year. The bill has gone the full limit in attempting to provide salary increases, not only to the low bracket employees, who definitely are entitled to increase, but also all the way up to the top of the ladder.

I am opposed to the bill because it contains a built-in formula that will plague Congress in the handling of the wage scale of its employees. The bill provides that, instead of Congress fixing the salaries, the salaries shall be fixed by ascertaining what wages are being paid in private industry. I do not subscribe to that abdication of power.

The bill is in complete noncomformity with the President's recommendation. It will add to the deficit that has been created. For that reason I cannot support it. I will give a live pair to the Senator from Indiana [Mr. CAPEHART] on the bill. If he were present and voting he would vote for it. I would vote against it.

The PRESIDING OFFICER (Mr. CANNON in the chair). The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. COOPER (when his name was called). On this vote I have a pair with the junior Senator from Illinois [Mr. DIRKSEN]. If he were present and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." I therefore withhold my vote.

Mr. CURTIS (when his name was called). On this vote I have a pair with the senior Senator from Kansas [Mr. CARLSON]. If he were present and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." I therefore withhold my vote.

Mr. LAUSCHE (when his name was called). On this vote I have a pair with the senior Senator from Indiana [Mr. CAPEHART]. If he were present and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." I therefore withhold my vote.

The rollcall was concluded.

Mr. ELLENDER (after having voted in the negative). On this vote I have a pair with the junior Senator from Missouri [Mr. LONG]. If he were present and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." I withdraw my vote.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Indiana [Mr. HARTKE], the Senator from Alabama [Mr. HILL], the Senator from Washington [Mr. MAGNUSON], the Senator from Georgia [Mr. RUSSELL], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

I further announce that the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. HICKEY], and the Senator from Missouri [Mr. LONG] are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. GRUENING], the Senator from Indiana [Mr. HARTKE], the Senator from Georgia [Mr. RUSSELL], the Senator from Alabama [Mr. SPARKMAN], the Senator from Alabama [Mr. HILL], the Senator from

Wyoming [Mr. HICKEY], the Senator from Arkansas [Mr. FULBRIGHT], and the Senator from Tennessee [Mr. GORE] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Indiana [Mr. CAPEHART], the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senator from New Hampshire [Mr. COTTON], the Senator from Illinois [Mr. DIRKSEN], the Senator from Arizona [Mr. GOLDWATER], the Senator from Kentucky [Mr. MORTON], and the Senator from Texas [Mr. TOWER] are necessarily absent. If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Arizona [Mr. GOLDWATER], and the Senator from Kentucky [Mr. MORTON] would each vote "yea."

The respective pairs of the Senators from Kansas [Mr. CARLSON], that of the Senator from Illinois [Mr. DIRKSEN], and that of the Senator from Indiana [Mr. CAPEHART] have been previously announced.

On this vote, the Senator from Kansas [Mr. PEARSON] is paired with the Senator from Texas [Mr. TOWER]. If present and voting, the Senator from Kansas would vote "yea," and the Senator from Texas would vote "nay."

The result was announced—yeas 72, nays 3, as follows:

[No. 287 Leg.]

YEAS—72

Aiken	Hickenlooper	Moss
Allott	Holland	Mundt
Bartlett	Hruska	Murphy
Beall	Humphrey	Muskie
Bible	Jackson	Neuberger
Boggs	Javits	Pastore
Burdick	Johnston	Pell
Bush	Jordan, N.C.	Prouty
Butler	Jordan, Idaho	Proxmire
Byrd, W. Va.	Keating	Randolph
Cannon	Kefauver	Saltonstall
Carroll	Kerr	Scott
Case	Kuchel	Smathers
Chavez	Long, Hawaii	Smith, Mass.
Church	Long, La.	Smith, Maine
Clark	Mansfield	Stennis
Dodd	McCarthy	Symington
Douglas	McClellan	Talmadge
Eastland	McGee	Thurmond
Engle	McNamara	Wiley
Ervin	Metcalf	Williams, N.J.
Fong	Miller	Yarborough
Hart	Monroney	Young, N. Dak.
Hayden	Morse	Young, Ohio

NAYS—3

Byrd, Va.	Robertson	Williams, Del.

NOT VOTING—25

Anderson	Ellender	Long, Mo.
Bennett	Fulbright	Magnuson
Bottum	Goldwater	Morton
Capehart	Gore	Pearson
Carlson	Gruening	Russell
Cooper	Hartke	Sparkman
Cotton	Hickey	Tower
Curtis	Hill	
Dirksen	Lausche	

So the bill (H.R. 7927) was passed.

Mr. HUMPHREY. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. JOHNSTON. Mr. President, I move that the motion to reconsider be laid on the table.

The PRESIDING OFFICER (Mr. CANNON in the chair). The question is on agreeing to the motion of the Senator from South Carolina.

The motion to lay on the table was agreed to.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the bill as amended and passed by the Senate be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H.R. 4333. An act to amend the act entitled "An act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes," approved July 5, 1946, as amended;

H.R. 5144. An act to provide for the acquisition of and the payment for individual Indian and tribal lands of the Lower Brule Sioux Reservation in South Dakota, required by the United States for the Big Bend Dam and Reservoir project on the Missouri River, and for the rehabilitation, social, and economic development of the members of the tribe, and for other purposes;

H.R. 5165. An act to provide for the acquisition of and the payment for individual Indian and tribal lands of the Crow Creek Sioux Reservation in South Dakota, required by the United States for the Big Bend Dam and Reservoir project on the Missouri River, and for the rehabilitation, social, and economic development of the members of the tribe, and for other purposes;

H.R. 7326. An act for the relief of E. La Ree Smoot Carpenter;

H.R. 7708. An act for the relief of Mr. and Mrs. Gerald Beaver and Sgt. and Mrs. Cecil P. Fisher;

H.R. 8134. An act to authorize the sale of the mineral estate in certain lands;

H.R. 8205. An act to provide tax relief to the International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers of America, Local 863 pension fund and the contributors thereto;

H.R. 8738. An act to amend sections 1 and 5b of chapter V of the Life Insurance Act for the District of Columbia;

H.R. 8824. An act to modify the application of the personal holding company tax in the case of consumer finance companies;

H.R. 9472. An act for the relief of Janina Tekla Gruszkos;

H.R. 10022. An act to amend section 510 (a) (1), Merchant Marine Act, 1936;

H.R. 10937. An act to amend the act providing for the economic and social development in the Ryukyu Islands;

H.R. 11059. An act relating to the effective date of the qualification of Bricklayers Local 45 (Buffalo, N.Y.) pension fund as a qualified trust under section 401(a) of the Internal Revenue Code of 1954;

H.R. 11217. An act to amend section 6112 of title 10, United States Code;

H.R. 11728. An act to amend section 1208(a) of the Merchant Marine Act, 1936, to authorize investment of the war-risk insurance fund in securities of, or guaranteed by, the United States;

H.R. 12589. An act to amend the Smith-Lever Act of May 8, 1914, as amended; and

H.R. 13067. An act to amend title VIII of the National Housing Act with respect to the authority of the Federal Housing Commissioner to pay certain real property taxes and to make payments in lieu of real property taxes.

AID AND RESEARCH

Mr. HUMPHREY. Mr. President, I should like to call to the attention of the Senate a report which summarizes a study which is being done for the research, evaluation, and planning assistance staff of the Agency for International Development. The Brookings Institution, an organization with which I am sure we are all familiar, is carrying out this very extensive study.

An outstanding scholar, Mr. Wilfred Owen, is supervising the study. Mr. Owen is one of this country's most eminent authorities and writers on the subject of transportation. Among his efforts have been the books "The Metropolitan Transportation Problem and National Transportation Policy." These credits, along with his many other accomplishments in the field of transportation, thoroughly qualify him for this task.

The study, one of several being conducted by the research evaluation, and planning assistance staff, will yield information long needed by the Agency for International Development, and will prove invaluable in that Agency's efforts to coordinate present activities with long-term objectives.

Among other things, the report points out how extremely important transportation is to any aid program undertaken. Money alone cannot assure the success of any program. The important question is how effectively the money is used. Transportation's role in development must be considered, for if it were neglected, the entire aid program might be a dismal failure.

The research, evaluation, and planning assistance staff is headed by Dr. Edward C. Fei. Doctor Fei is to be congratulated for REPAS's fine effort during the first trying and uncertain months of its existence. I know that in the future it is going to contribute much to the success of our AID program.

Mr. President, I ask unanimous consent that the first 5 pages of this report be printed in the RECORD at this point in my remarks.

There being no objection, the excerpt from the report was ordered to be printed in the RECORD, as follows:

TRANSPORT RESEARCH PROGRAM

(Study by the Brookings Institution, Economic Studies Division)

The Brookings Institution is conducting a major 5-year program of research on the role of transportation in development. The effort to advance the stage of knowledge in this relatively neglected area will enlist the participation of individual scholars, universities, and other agencies throughout the country and abroad in a comprehensive program of studies involving economics, political science, and technology.

The new program follows from a continuing series of transportation studies conducted by Brookings staff over an extended period of time. Previous undertakings have involved a variety of issues relating to national transportation policy, urban transportation, and the transport problems of Asia, Africa, and Latin America. The present effort is made possible by a grant from the Agency for International Development, which has provided $1,470,000 for the first 3 years' work, with support for the balance of the

program to be determined at the end of that period.

PURPOSE AND SCOPE OF THE PROGRAM

The work to be undertaken is designed (a) to increase our understanding of the role that transportation plays in development, in order to help guide resource allocation in emerging economies and in foreign assistance programs; (b) to shed light on the possibilities that science and technology offer for the solution of transport problems, both with respect to transport methods and to innovations outside the transport field that affect transport; (c) to develop criteria for judging among transport investments and between transport investments and investments in other sectors of the economy; (d) to determine the kinds of transportation facilities which are best suited to the transport tasks to be performed in a given environment; (e) to assess what is needed to implement transport programs, including an evaluation of alternative organizational arrangements and financial policies in the public and private sectors.

All of these factors are involved because all of them play a role in achieving an optimal use of resources for transportation. At present, there is no clear understanding of the developmental effects of transport improvements, the desirable timing of transport investments, nor the potentials for achieving economic, social, cultural, and political objectives through transport. The many factors that need to be taken into account in selecting desirable transport methods have not been given proper consideration, and there has been no systematic appraisal of the role of public and private enterprise, of various administrative solutions, nor of different approaches to financing, ratemaking, and regulation. Yet all of these aspects of the transport program can have profound effects on development.

What is unique about the Brookings program is that we are studying the transport sector as it relates to the total environment. And we are exploring the problem and the benefits of achieving greater mobility with all of the ingredients of mobility under examination. This is not a study of transportation per se, but of transportation's role in development. And since accessibility and mobility are essential to almost everything that underdeveloped countries are striving to accomplish, it follows that transportation may be a key factor in the success or failure of the entire development effort. This does not mean that transport is all-important, for it is food, shelter, health, education, and jobs that are the ultimate objectives. Transport may be the catalyst, however, and this is the function that makes it important.

What research approach do these considerations imply? Essentially they dictate that the research should be concerned with applying transport technology to the realization of development objectives. At the same time, they imply an approach which not only looks at transportation as a whole (each form of transport is usually planned and provided separately), but which looks beyond transport itself to the processes of production and distribution that the transport system is called upon to serve.

One goal common to most developing countries is the production of more food. The role that transportation can play in attaining this objective is to provide access to arable lands, to help communicate new agricultural techniques, to make possible the delivery of seeds and fertilizer, and to assemble and move the increased product to consumers. If the transport goal is thought of as serving agriculture, then the research must include more than an examination of the type of transport facilities needed. It should also be concerned with the organization and financial arrangements for keeping roads passable; necessary arrangements to enable producers to purchase vehicles; and provision for transshipment to line-haul truck, railway, or inland water carrier. The objective is to close the gap between the producer of agricultural surpluses and the consumers who need food.

Looking at transport in this broader framework may lead to solutions that are satisfactory from a transportation standpoint but which are still unsatisfactory from a development standpoint. The goal of increasing the food supply may not be served best by expediting movement at all. One alternative may be to provide storage facilities. When storage is made possible in producing areas, peak traffic demands typical of agricultural economies can be flattened by spreading the transport burden over a longer time period, and transport capacity requirements can be reduced accordingly.

For some types of perishables the solution may not be storage but processing. The establishment of processing centers close to sources of supply will reduce spoilage and eliminate the need for speedy transport or for refrigerated equipment. Processing may have the added advantages of creating local employment, providing a source of local capital accumulation, making agricultural waste available for fuel or local manufactures, and reducing the weight and bulk of commodities flowing into the transport system. This kind of solution to the transportation problem may emerge if attention is focused on the objective of raising per capita food consumption rather than simply on making areas of production more accessible.

The concept of optimizing resource use for development also applies to the accommodation of transport facilities to industry. Various aspects of the industrial program may be dictated by transport limitations, including the location and size of industrial plants and the decision to favor a concentration or dispersal of industrial activity. It may be necessary on transportation grounds to modify completely the types of industrial activities to be engaged in. Modification may be necessary because transport costs are excessive, or because transport possibilities suggest comparative advantages through interregional or international specialization and trade.

The same need to look at the total environment is encountered in the analysis of factors governing the choice of alternative technological solutions. To judge the feasibility of road, rail, river, pipe, or air transport alternatives requires matching the demands for transport with conditions governing the supply of transport facilities. What are the relative requirements for capital, managerial talent, foreign exchange, and maintenance? How much time will elapse before the investment will begin to pay off? What are likely to be the forward and backward linkages, the multiplier effects? What kinds of direct and indirect employment will result, and to what extent will entrepreneurship and new resource development be encouraged? What social and political impacts can be anticipated?

These questions are all part of the process of selecting wisely among technological alternatives because the ultimate objective is higher standards of living, and not merely higher standards of moving.

TOPICS FOR RESEARCH

Thinking in these terms, with higher levels of living as the goal, makes clear that there is an essential unity in the program despite an apparent heterogeneity. The fact that the program has many aspects stems from the fact that transportation performs many functions. But the following general categories cover all of the principal research needs:

1. Evaluation of the Role of Transport in Development.
2. Determination of Transport Investment Requirements.
3. The Economics of Technology.
4. Minimizing the Demand for Transport.
5. Organizational and Administrative Solutions.
6. Financial Support and Expenditure Policies.

ORDER OF BUSINESS—CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. MANSFIELD. Mr. President, with the concurrence of the Senate, I should like to have the Senate proceed to the consideration of some measures on the calendar to which there is no objection, and thereafter proceed to the consideration of certain measures on the calendar to which there are only minor objections.

SETTLEMENT OF CERTAIN CLAIMS

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 2087. House bill 310, providing for the settlement of certain claims.

The motion was agreed to; and the bill (H.R. 310) to amend title 10, United States Code, to authorize the Secretary of Defense, the Secretaries of the military departments, and the Secretary of the Treasury to settle certain claims for damage to, or loss of, property, or personal injury or death, not cognizable under any other law was considered, ordered to a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement of the reasons for the bill.

There being no objection, the excerpt from the report (No. 2123) was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the proposed legislation is to permit the Secretary of Defense, the Secretary of the Treasury with respect to the Coast Guard, and the military Secretaries to settle claims up to $1,000 caused by actions of military personnel and civilian employees of such departments outside the scope of their employment involving the use of Government vehicles anywhere and the use of other Government property on Government installations.

SECTION-BY-SECTION ANALYSIS

Subsection (a) of the proposed section 2736 would authorize the Secretary of a military department or the Secretary of the Treasury, as regards the Coast Guard, to settle claims of not more than $1,000 for damage to or loss of property, or personal injury or death arising from the use of a Government vehicle anywhere or incident to the use of any other property of the United States on a Government installation when the claim would not be cognizable under any other law.

Subsection (b) grants the Secretary of Defense equivalent authority resulting from the activities of officials or employees of the Department of Defense when the claims would not be covered by the provisions of subsection (a).

Subsection (c) bars the allowance of a claim where the damage, loss, personal injury, or death was caused in whole or in

87TH CONGRESS
2D SESSION

H. R. 7927

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 27, 1962

Ordered to be printed with the amendment of the Senate

AN ACT

To adjust postal rates, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

~~SHORT TITLE~~

~~SECTION 1. This Act may be cited as the "Postage Revision Act of 1962".~~

~~POSTAL POLICY~~

~~SEC. 2. (a) Section 2302(c)(4) of title 39, United State Code, is amended by striking out "deemed to be attributable to the performance of public services under section 2303(b) of this title" and inserting in lieu thereof "deter-~~

mined under section 2303 of this title to be attributable to the performance of public services".

(b) Section 2303(a) of title 39, United States Code, is amended—

(1) by amending the heading so as to read "§ 2303. **Identification of public services and costs thereof**";

(2) by striking out paragraph (2) and renumbering the succeeding paragraphs accordingly; and

(3) by adding at the end thereof the following new sentence:

"The terms 'total loss' and 'loss' as used in this subsection mean the amounts by which the total allocated costs incurred by the postal establishment in the performance of the public services enumerated in this subsection exceed the total revenues received by the postal establishment for the performance of such public services."

(c) Section 2303(b) of title 39, United States Code, is amended to read as follows:

"(b) The Postmaster General shall report to the Congress, on or before February 1 of each year beginning with the year 1963, the estimated amount by which, in the then current fiscal year, the cost incurred by the postal establishment in the performance of each of the public services enumerated in subsection (a) of this section exceeds the revenue received by the postal establishment for the perform-

ance of each such public service. The aggregate amount by which, in any fiscal year, the costs incurred by the postal establishment in the performance of each such public services exceed the aggregate amount of the revenues received by the postal establishment for the performance of such public services shall be excluded from the total cost of operating the postal establishment for purposes of adjustment of postal rates and fees."

(d) The table of contents of chapter 27 of title 39, United States Code, is amended by striking out

"2303. Identification of and appropriations for public services."

and inserting in lieu thereof:

"2303. Identification of public services and costs thereof.".

FIRST-CLASS MAIL

SEC. 3. Section 4253 of title 39, United States Code, is amended by striking out the words "four" and "three" wherever appearing in subsection (a) and inserting in lieu thereof the words "five" and "four", respectively.

AIRMAIL

SEC. 4. Section 4303 of title 39, United States Code, is amended—

(1) by striking out the word "seven" in subsection (a) and inserting in lieu thereof the word "eight";

(2) by striking out the word "five" in subsection (b) and inserting in lieu thereof the word "six"; and

(3) by striking out the phrase "3 cents an ounce or fraction thereof" in paragraph (2) of subsection (d) and inserting in lieu thereof the phrase "the rate of postage for other first-class mail matter".

SEC. 5. Paragraph (1), subsection (a), section 4358, of title 39, United States Code, is amended to read as follows—

"(1) resides in the county in which the publication is published; and".

SECOND-CLASS MAIL BEYOND COUNTY OF PUBLICATION

SEC. 6. Section 4359 of title 39, United States Code, is amended—

(1) by striking out so much of subsection (b) as precedes the table and inserting in lieu thereof the following:

"(b) (1) Subject to the minimum rate provided for publications of qualified nonprofit organizations and classroom publications by section 4360 of this title, the rates of postage on publications mailed in accordance with subsection (a) of this section are fixed both by the piece as provided in paragraph (2) of this subsection and by the pound as provided in the following table:

"[In cents]"; and

(2) by adding at the end of subsection (b) a new paragraph (2), as follows:

"(2) The piece rates of postage are charged on each individually addressed copy of a publication (except a publication of a qualified nonprofit organization and a classroom publication) mailed in accordance with subsection (a) of this section in addition to the pound rates. The piece rates are as follows:

"Publications other than classroom publications and other than publications of qualified nonprofit organizations—½ cent, effective on and after July 1, 1962, and before July 1, 1963; and 1 cent, effective on and after July 1, 1963."

MINIMUM POSTAGE RATES ON SECOND-CLASS MAIL

SEC. 7. Section 4360 of title 39, United States Code, is amended to read as follows:

"§ 4360. **Minimum postage**

"The minimum rate of postage is one-eighth cent for each individually addressed copy of—

"(1) a classroom publication or a publication of a qualified nonprofit organization mailed under section 4359 of this title, or

"(2) any publication mailed for delivery within the county of publication except when mailed free under section 4358(a) of this title."

CONTROLLED CIRCULATION PUBLICATIONS

SEC. 8 Section 4422 of title 39, United States Code, is amended by striking out "12 cents" and inserting in lieu thereof "14 cents".

THIRD-CLASS MAIL

SEC 9. (a) Section 4451(d) of title 39, United States Code, is amended by striking out "(a)(2)" and inserting in lieu thereof "(a)(3)".

(b) Section 4452 of title 39, United States Code, is amended—

(1) by amending the table in subsection (a) to read as follows:

"Type of mailing	Rate	Unit
	Cents	
(1) Individual piece	4	First 2 ounces or fraction thereof.
	11½	Each additional ounce or fraction thereof.
(2) Bulk mailings under subsec. (c) of this section of:		
(A) Books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions and plants:		
(i) Qualified nonprofit organizations.	10	Each pound or fraction thereof.
(ii) Others	18	Do.
(B) Other matter	21	Do."

(2) by amending the table in subsection (b) to read as follows:

"Mailed by—	(In cents)
Other than qualified nonprofit organizations	3½
Qualified nonprofit organizations	1¼";

and

(3) by amending subsection (c) to read as follows:

"(c) The minimum postage rate on pieces or packages of third-class mail of such size or form as to prevent ready facing and tying in bundles and requiring individual distribution is four and one-half cents."

(c) The third proviso in section 3 of the Act of October 30, 1951, as amended by the Act of June 23, 1959 (73 Stat. 89; Public Law 86-56), is hereby repealed.

EDUCATIONAL AND LIBRARY MATERIALS

SEC. 10. (a) Section 4554 of title 39, United States Code, is amended—

(1) by amending that part of subsection (a) which precedes paragraph (1) to read as follows:

"(a) Except as provided in subsection (b) of this section, the postage rate is 9 cents a pound for the first pound or fraction thereof and 5 cents for each additional

pound or fraction thereof, except that the rates now or hereafter prescribed for third or fourth-class matter shall apply in every case where such rate is lower than the rate prescribed in this subsection on—

(2) by amending paragraph (5) of subsection (a) to read as follows:

"(5) sound recordings;";

(3) by striking out the period at the end of paragraph (6) of subsection (a) and inserting in lieu thereof a semicolon and the word "and";

(4) by adding at the end of subsection (a) the following:

"(7) printed educational reference charts, permanently processed for preservation.";

(5) by inserting "(including cooperative processing by libraries)" immediately following "loaned or exchanged" in paragraph (1) of subsection (b);

(6) by striking out the word "students'" immediately preceding the word "notations" in paragraph (1) of subsection (a) and in paragraph (2) of subsection (b);

(7) by striking out:

"(D) bound volumes of periodicals;

"(E) phonograph recordings; and"

in paragraph (2) of subsection (b) and inserting in lieu thereof:

"(D) periodicals, whether bound or unbound;

"(E) sound recordings; and "; and

(8) by striking out "and catalog of those items" in subsection (c) and inserting in lieu thereof "scientific or mathematical kits, instruments, or other devices and catalogs of those items, and guides or scripts prepared solely for use with such materials".

(b) Sections 204(d), 204(e)(1), and 204(e)(2) of the Postal Rate Revision and Federal Employees Salary Act of 1948, as amended by the Act of July 14, 1960 (74 Stat. 479; Public Law 86-644), are hereby repealed.

METHOD OF DETERMINING GROSS RECEIPTS

SEC. 11. Section 711(c) of title 39, United States Code, is amended by striking out "Public Law 85-426" and inserting in lieu thereof "any Act of Congress enacted on or after May 27, 1958".

COMMUNIST POLITICAL PROPAGANDA

SEC. 12. (a) Section 505 of title 39, United States Code, is amended by inserting immediately after the first sentence and before the second sentence in subsection (a) thereof, the following sentence: "In furtherance of this authority to counteract adverse usage of the mails and to reduce the domestic postal deficit, no international mail

~~handling arrangement under which any postal rate, whether or not reciprocal, is established, shall permit the receipt, handling, transport, or delivery by the United States Post Office Department of mail matter determined by the Attorney General to be Communist political propaganda."~~

~~(b) (1) Chapter 51 of title 39, United States Code, is amended by adding at the end thereof the following section:~~

~~"§ 4008. **Communist political propaganda**~~

~~"No United States postal rate established by the Postage Revision Act of 1962 shall be available for the receipt, handling, transportation, or delivery of mail matter determined by the Attorney General of the United States to be Communist political propaganda financed or sponsored directly or indirectly by any Communist controlled government."~~

~~(2) The table of contents of such chapter 51 is amended by inserting~~

~~"4008. Communist political propaganda."~~

~~immediately below~~

~~"4007. Detention of mail for temporary periods."~~

~~EFFECTIVE DATE~~

~~SEC. 13. The foregoing provisions of this Act shall become effective on July 1, 1962.~~

That this Act may be cited as the "Postal Service and Federal Employees Salary Act of 1962".

PART I—POSTAL SERVICE

TITLE I—POSTAL RATES

FIRST-CLASS MAIL

SEC. 101. Section 4253(a) of title 39, United States Code, is amended by striking out the words "four" and "three" wherever appearing in subsection (a) and inserting in lieu thereof the words "five" and "four", respectively.

AIRMAIL

SEC. 102. (a) Section 4303 of title 39, United States Code, is amended—

(1) by striking out the word "seven" in subsection (a) and inserting in lieu thereof the word "eight";

(2) by striking out the word "five" in subsection (b) and inserting in lieu thereof the word "six";

(3) by increasing each of the rates under the heading "First pound over 8 ounces or fraction thereof" in the table in subsection (d)(1) by 8 cents;

(4) by striking out paragraph (2) of subsection (d) and inserting in lieu thereof the following:

"(2) The rate of postage on air mail of the first class weighing in excess of eight ounces shall be the rate provided by subsection (a) for each ounce not in excess of eight ounces, plus 5 cents for each ounce or fraction

thereof in excess of eight ounces, but in no case less than the rate provided under paragraph (1) for air parcels."

SECOND CLASS WITHIN COUNTY OF PUBLICATION

SEC. 103. Subsections (a) and (b) of section 4358 of title 39, United States Code, are amended to read as follows:

"(a) Except as provided in subsection (b), the rate of postage on publications admitted as second-class mail when addressed for delivery within the county in which they are published and entered is as fouows:

"[*In cents*]

	"*Mailed after January 6, 1963, and prior to January 1, 1965*"	*Mailed after December 31, 1964*
"*Rate per pound*"	1	1¼
Minimum charge per piece	⅛	⅛

"(b) The rate of postage on the following publications admitted as second-class mail when mailed for delivery, within the county in which they are published and entered, by letter carrier at the office of mailing, shall be—

"(1) publications issued more frequently than weekly, one cent a copy;

"(2) publications issued less frequently than weekly—

"(A) weighing two ounces or less, one cent a copy;

"(B) weighing more than two ounces, two cents a copy."

SECOND CLASS BEYOND COUNTY OF PUBLICATION

SEC. 104. (a) Section 4359(b) of title 39, United States Code, is amended to read as follows:

"(b)(1) Except as provided by paragraphs (2), (3), and (4), the rates of postage on publications mailed in accordance with subsection (a) are as follows:

"[In cents]

	"Mailed after January 6, 1963, and prior to January 1, 1964	Mailed during calendar year 1964	Mailed after December 31, 1964
"Rate per pound:			
Advertising portion:			
Zones 1 and 2	3.4	3.8	4.0
Zone 3	4.4	4.8	5.0
Zone 4	6.4	6.8	7.0
Zone 5	8.4	8.8	9.0
Zone 6	10.4	10.8	11.0
Zone 7	12.0	12.0	12.0
Zone 8	14.0	14.0	14.0
Nonadvertising portion	2.6	2.7	2.8
Minimum charge per piece	.6	.8	1.0

"(2) The postage on classroom publications is 60 per centum of the postage computed in accordance with paragraph (1).

"(3) The rates of postage on publications of a qualified nonprofit organization mailed in accordance with subsection (a) are as follows:

"[In cents]

	"Mailed after January 6, 1963, and prior to January 1, 1964	Mailed during calendar year 1964	Mailed after December 31, 1964
"Rate per pound	1.6	1.7	1.8
Minimum charge per piece	.125	.125	.125

"(4) In lieu of the minimum charge per piece prescribed by paragraph (1), the minimum charge per piece to be paid by the following publications (other than publications to which paragraph (2) or paragraph (3) is applicable) shall be as follows—

"(A) publications mailing fewer than 5,000 copies per issue outside the county of publication—one-half cent per piece;

"(B) any issue of a publication the advertising portion of which does not exceed 5 per centum of the entire issue—.55 of a cent per piece when mailed after January 6, 1963, and prior to January 1, 1964, .65 of a cent per piece when mailed during calendar year 1964, and .75 of a cent per piece when mailed after December 31, 1964."

(b) Section 4359(e)(2) of title 39, United States Code, is amended by striking out "and fraternal," and inserting in lieu thereof the following: "fraternal, and associations of rural electric cooperatives, and not to exceed one publication published by the official highway agency of a State which meets all of the requirements of section 4354 and which contains no advertising".

(c) Section 4360 of title 39, United States Code, is repealed.

SECOND-CLASS TRANSIENT MAIL

SEC. 105. Section 4362 of title 39, United States Code, is amended by striking out "two cents" and inserting in lieu thereof "four cents".

CONTROLLED CIRCULATION PUBLICATIONS

SEC. 106. Section 4422 of title 39, United States Code, is amended by striking out "12 cents a pound or fraction thereof" and inserting in lieu thereof the following: "12½ cents a pound or fraction thereof when mailed after January 6, 1963, and prior to January 1, 1964, 13 cents a pound or fraction thereof when mailed during calendar year 1964, and 13½ cents a pound or fraction thereof when mailed after December 31, 1964".

THIRD-CLASS MAIL

SEC. 107. Section 4452 of title 39, United States Code, is amended—

(1) by amending subsections (a), (b), and (c) to read as follows:

"(a) Except as provided in subsection (c) of this section, and subject to the minimum charge per piece provided

in subsection (b) of this section, the postage rates on third-class mail are as follows:

"Type of mailing	Rate	Unit
	Cents	
(1) Individual piece	4	First 2 ounces or fraction thereof.
	2	Each additional ounce or fraction thereof.
(2) Bulk mailings under subsec. (e) of this section of:		
(A) Books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions and plants.	12	Each pound or fraction thereof.
(B) Other matter	18	Do.

"(b) Matter mailed in bulk under subsection (e) of this section is subject to a minimum charge for each piece of $2\frac{5}{8}$ cents when mailed subsequent to January 6, 1963 and prior to January 1, 1964, $2\frac{6}{8}$ cents when mailed during calendar year 1964, and $2\frac{7}{8}$ cents when mailed after December 31, 1964.

"(c) The postage on matter mailed in bulk under subsection (e) by qualified nonprofit organizations is 50 per centum of the postage computed in accordance with subsections (a) and (b)."

(2) by striking out "subsections (a) and (b) of" wherever it appears in subsection (d).

(3) by striking out "$20" and "twenty pounds" in subsection (e) and inserting in lieu thereof "$30" and "fifty pounds", respectively, effective January 1, 1963.

commission shall provide by regulation for the procedure of submission, review and consideration of projects, and for its determinations pursuant to this section. Any determination of the commission hereunder shall be subject to judicial review in any court of competent jurisdiction.

3.7 Coordination and Cooperation. The commission shall promote and aid the coordination of the activities and programs of federal, state, municipal and private agencies concerned with water resources administration in the basin. To this end, but without limitation thereto, the commission may:

(a) Advise, consult, contract, financially assist, or otherwise cooperate with any and all such agencies;

(b) Employ any other agency or instrumentality of any of the signatory parties or of any political subdivision thereof, in the design, construction, operation and maintenance of structures, and the installation and management of river control systems, or for any other purpose;

(c) Develop and adopt plans and specifications for particular water resources projects and facilities which so far as consistent with the comprehensive plan incorporate any separate plans of other public and private organizations operating in the basin, and permit the decentralized administration thereof;

(d) Qualify as a sponsoring agency under any Federal legislation heretofore or hereafter enacted to provide financial or other assistance for the planning, conservation, utilization, development, management or control of water resources.

3.8 Advisory Committees. The commission may constitute and empower advisory committees, which may be comprised of representatives of the public and of Federal, State, county and municipal governments, water resources agencies, water-using industries, water-interest groups, labor and agriculture.

ARTICLE 4

WATER SUPPLY

Section 4.1 Generally. The commission shall have power to develop, implement and effectuate plans and projects for the use of the water of the basin for domestic, municipal, agricultural and industrial water supply. To this end, without limitation thereto, it may provide for, construct, acquire, operate and maintain dams, reservoirs and other facilities for utilization of surface and ground water resources, and all related structures, appurtenances and equipment on the river and its tributaries and at such off-river sites as it may find appropriate, and may regulate and control the use thereof.

4.2 Storage and Release of Waters.

(a) The commission shall have power to acquire,

operate and control projects and facilities for the storage and release of waters, for the regulation of flows and supplies of surface and ground waters of the basin, for the protection of public health, stream quality control, economic development, improvement of fisheries, recreation, dilution and abatement of pollution, the prevention of undue salinity and other purposes.

(b) No signatory party shall permit any augmentation of flow to be diminished by the diversion of any water of the basin during any period in which waters are being released from storage under the direction of the commission for the purpose of augmenting such flow, except in cases where such diversion is duly authorized by this compact, or by the commission pursuant thereto, or by the judgment, order or decree of a court of competent jurisdiction.

4.3 Assessable Improvements. The commission may undertake to provide stream regulation in the main stream or any tributary in the basin and may assess on an annual basis or otherwise the cost thereof upon water users or any classification of them specially benefited thereby to a measurable extent, provided that no such assessment shall exceed the actual benefit to any water user. Any such assessment shall follow the procedure prescribed by law for local improvement assessments and shall be subject to judicial review in any court of competent jurisdiction.

4.4 Coordination. Prior to entering upon the execution of any project authorized by this article, the commission shall review and consider all existing rights, plans and programs of the signatory parties, their political subdivisions, private parties, and water users which are pertinent to such project, and shall hold a public hearing on each proposed project.

4.5 Additional Powers. In connection with any project authorized by this article, the commission shall have power to provide storage, treatment, pumping and transmission facilities, but nothing herein shall be construed to authorize the commission to engage in the business of distributing water.

Article 5

POLLUTION CONTROL

Section 5.1 General Powers. The commission may undertake investigations and surveys, and acquire, construct, operate and maintain projects and facilities to control potential pollution and abate or dilute existing pollution of the water resources of the basin. It may invoke as complainant the power and jurisdiction of water pollution abatement agencies of the signatory parties.

5.2 Policy and Standards. The commision may assume jurisdiction to control future pollution and abate existing pollution in the waters of the basin, whenever it determines after

investigation and public hearing upon due notice that the effectuation of the comprehensive plan so requires. The standard of such control shall be that pollution by sewage or industrial or other waste originating within a signatory state shall not injuriously affect waters of the basin as contemplated by the comprehensive plan. The commission, after such public hearing may classify the waters of the basin and establish standards of treatment of sewage, industrial or other waste, according to such classes including allowance for the variable factors of surface and ground waters, such as size of the stream, flow, movement, location, character, self-purification, and usage of the waters affected. After such investigation, notice and hearing the commission may adopt and from time to time amend and repeal rules, regulations and standards to control such future pollution and abate existing pollution, and to require such treatment of sewage, industrial or other waste within a time reasonable for the construction of the necessary works, as may be required to protect the public health or to preserve the waters of the basin for uses in accordance with the comprehensive plan.

5.3 Cooperative Legislation and Administration. Each of the signatory parties covenants and agrees to prohibit and control pollution of the waters of the basin according to the requirements of this compact and to cooperate faithfully in

the control of future pollution in and abatement of existing pollution from the rivers, streams, and waters in the basin which flow through, under, into or border upon any of such signatory states, and in order to effect such object, agrees to enact any necessary legislation to enable each such party to place and maintain the waters of said basin in a satisfactory condition, available for safe and satisfactory use as public and industrial water supplies after reasonable treatment, suitable for recreational usage, capable of maintaining fish and other aquatic life, free from unsightly or malodorous nuisances due to floating solids or sludge deposits and adaptable to such other uses as may be provided by the comprehensive plan.

5.4 Enforcement. The commission may, after investigation and hearing, issue an order or orders upon any person or public or private corporation, or other entity, to cease the discharge of sewage, industrial or other waste into waters of the basin which it determines to be in violation of such rules and regulations as it shall have adopted for the prevention and abatement of pollution. Any such order or orders may prescribe the date, including a reasonable time for the construction of any necessary works, on or before which such discharge shall be wholly or partially discontinued, modified or treated, or otherwise conformed to the requirements of such rules and regulations. Such order shall be reviewable in any court of competent jurisdiction. The

courts of the signatory parties shall have jurisdiction to enforce against any person, public or private corporation, or other entity, any and all provisions of this Article or of any such order. The commission may bring an action in its own name in any such court of competent jurisdiction to compel compliance with any provision of this Article, or any rule or regulation issued pursuant thereto or of any such order, according to the practice and procedure of the court.

5.5 Further Jurisdiction. Nothing in this compact shall be construed to repeal, modify or qualify the authority of any signatory party to enact any legislation or enforce any additional conditions and restrictions to lessen or prevent the pollution of waters within its jurisdiction.

Article 6

FLOOD PROTECTION

Section 6.1 General Powers. The commission may plan, design, construct and operate and maintain projects and facilities, as it may deem necessary or desirable for flood damage reduction. It shall have power to operate such facilities and to store and release waters on the Susquehanna River and its tributaries and elsewhere within the basin, in such manner, at such times, and under such regulations as the commission may deem appropriate to meet flood conditions as they may arise.

6.2 Flood Plain Zoning.

(a) The commission shall have power to adopt, amend and repeal recommended standards, in the manner provided by this section, relating to the nature and extent of the uses of land in areas subject to flooding by waters of the Susquehanna River and its tributaries. Such standards shall not be deemed to impair or restrict the power of the signatory parties or their political subdivisions to adopt zoning and other land use regulations not inconsistent therewith.

(b) The commission may study and determine the nature and extent of the flood plains of the Susquehanna River and its tributaries. Upon the basis of such studies, it may establish encroachment lines and delineate the areas subject to flood, including a classification of lands with reference to relative risk of flood and the establishment of standards for flood plain use which will safeguard the public health, safety and property. Prior to the adoption of any standards delineating such area or defining such use, the commission shall hold public hearings, in the manner provided by Article 14, with respect to the substance of such standards. At or before such public hearings the proposed standards shall be available, and all interested persons shall be given an opportunity to be heard thereon at the hearing. Upon the adoption and promulgation of such standards, the commission may enter into agreements to provide technical and financial aid to any municipal corporation for the administration and

notice given by posting at the offices of the commission. The commission shall also provide forthwith for distribution of such notice to the press and by the mailing of a copy thereof to any person who shall request such notices.

(c) The minutes of the commission shall be a public record open to inspection at its offices during regular business hours.

14.5 Officers Generally.

(a) The officers of the commission shall consist of an executive director and such additional officers, deputies and assistants as the commission may determine. The executive director shall be appointed and may be removed by the affirmative vote of a majority of the full membership of the commission. All other officers and employees shall be appointed by the executive director under such rules of procedure as the commission may determine.

(b) In the appointment and promotion of officers and employees for the commission, no political, racial, religious or residence tests or qualification shall be permitted or given consideration, but all such appointments and promotions shall be solely on the basis of merit and fitness. Any officer or employee of the commission who is found by the commission to be guilty of a violation of this section shall be removed from office by the commission.

14.6 Oath of Office. An oath of office in such form as

the commission shall prescribe shall be taken, subscribed and filed with the commission by the executive director and by each officer appointed by him not later than fifteen days after the appointment.

14.7 Bond. Each officer shall give such bond and in such form and amount as the commission may require for which the commission may pay the premium.

14.8 Prohibited Activities.

(a) No commissioner, officer or employee shall:

1) be financially interested, either directly or indirectly, in any contract, sale, purchase, lease or transfer of real or personal property to which the commission is a party;

2) solicit or accept money or any other thing of value in addition to the compensation or expenses paid him by the commission for services performed within the scope of his official duties;

3) offer money or any thing of value for or in consideration of obtaining an appointment, promotion or privilege in his employment with the commission.

(b) Any officer or employee who shall willfully violate any of the provisions of this section shall forfeit his office or employment.

(c) Any contract or agreement knowingly made in contravention of this section is void.

(d) Officers and employees of the commission shall be subject in addition to the provisions of this section to such criminal and civil sanctions for misconduct in office as may be imposed by federal law and the law of the signatory state in which such misconduct occurs.

14.9 Purchasing. Contract for the construction, reconstruction or improvement of any facility when the expenditure required exceeds ten thousand dollars and contracts for the purchase of services, supplies, equipment and materials when the expenditure required exceeds two thousand five hundred dollars shall be advertised and let upon sealed bids to the lowest responsible bidder. Notice requesting such bids shall be published in a manner reasonably likely to attract prospective bidders, which publication shall be made at least ten days before bids are received and in at least two newspapers of general circulation in the basin. The commission may reject any and all bids and readvertise in its discretion. If after rejecting bids the commission determines and resolves that in its opinion the supplies, equipment and materials may be purchased at a lower price in the open market, the commission may give each responsible bidder an opportunity to negotiate a price and may proceed to purchase the supplies, equipment and materials in the open market at a negotiated price which is lower than the lowest rejected bid of a responsible bidder, with-

out further observance of the provisions requiring bids or notice. The commission shall adopt rules and regulations to provide for purchasing from the lowest responsible bidder when sealed bids, notice and publication are not required by this section. The commission may suspend and waive the provisions of this section requiring competitive bids whenever:

1) the purchase is to be made from or the contract to be made with the federal or any state government or any agency or political subdivision thereof or pursuant to any open end bulk purchase contract of any of them;

2) the public exigency requires the immediate delivery of the articles or performance of the service;

3) only one source of supply is available;

4) the equipment to be purchased is of a technical nature and the procurement thereof without advertising is necessary in order to assure standardization of equipment and interchangeability of parts in the public interest; or

5) services are to be provided of a specialized or professional nature.

14.10 Insurance. The commission may self-insure or purchase insurance and pay the premiums therefor against loss or damage to any of its properties; against liability for

injury to persons or property; and against loss of revenue from any cause whatsoever. Such insurance coverage shall be in such form and amount as the commission may determine, subject to the requirements of any agreement arising out of the issuance of bonds by the commission.

14.11 Annual Independent Audit.

(a) As soon as practical after the closing of the fiscal year, an audit shall be made of the financial accounts of the commission. The audit shall be made by qualified certified public accountants selected by the commission, who have no personal interest direct or indirect in the financial affairs of the commission or any of its officers or employees. The report of audit shall be prepared in accordance with accepted accounting practices and shall be filed with the chairman and such other officers as the commission shall direct. Copies of the report shall be distributed to each commissioner and shall be made available for public distribution.

(b) Each signatory party by its duly authorized officers shall be entitled to examine and audit at any time all the books, documents, records, files and accounts and all other papers, things or property of the commission. The representatives of the signatory parties shall have access to all books, documents, records, accounts, reports, files and all other papers, things or property belonging to or in use by the commission and necessary to facilitate the audit and they

shall be afforded full facilities for verifying transactions with the balances or securities held by depositaries, fiscal agents and custodians.

(c) The financial transactions of the commission shall be subject to audit by the general accounting office in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the comptroller general of the United States. The audit shall be conducted at the place or places where the accounts of the commission are kept.

(d) Any officer or employee who shall refuse to give all required assistance and information to the accountants selected by the commission or to the authorized officers of any signatory party or who shall refuse to submit to them for examination such books, documents, records, files, accounts, papers, things or property as may be requested shall forfeit his office.

14.12 Reports. The commission shall make and publish an annual report to the legislative bodies of the signatory parties and to the public reporting on its programs, operations and finances. It may also prepare, publish and distribute such other public reports and informational materials as it may deem necessary or desirable.

14.13 Grants, Loans or Payments by States or Political Subdivisions.

(a) Any or all of the signatory parties or any political subdivision thereof may:

1) Appropriate to the commission such funds as may be necessary to pay preliminary expenses such as the expenses incurred in the making of borings, and other studies of subsurface conditions, in the preparation of contracts for the sale of water and in the preparation of detailed plans and estimates required for the financing of a project;

2) Advance to the commission, either as grants or loans, such funds as may be necessary or convenient to finance the operation and management of or construction by the commission of any facility or project;

3) Make payments to the commission for benefits received or to be received from the operation of any of the projects or facilities of the commission.

(b) Any funds which may be loaned to the commission either by a signatory party or a political subdivision thereof shall be repaid by the commission through the issuance of bonds or out of other income of the commission, such repayment to be made within such period and upon such terms as

may be agreed upon between the commission and the signatory party or political subdivision making the loan.

14.14 Condemnation Proceedings.

(a) The commission shall have the power to acquire by condemnation the fee or any lesser interest in lands, lands lying under water, development rights in land, riparian rights, water rights, waters and other real or personal property within the basin for any project or facility authorized pursuant to this compact. This grant of power of eminent domain includes but is not limited to the power to condemn for the purposes of this compact any property already devoted to a public use, by whomsoever owned or held, other than property of a signatory party and any property held, constructed, operated or maintained in connection with a diversion authorized by a United States Supreme Court decree. Any condemnation of any property or franchises owned or used by a municipal or privately owned public utility, unless the affected public utility facility is to be relocated or replaced, shall be subject to the authority of such state board, commission or other body as may have regulatory jurisdiction over such public utility.

(b) Such power of condemnation shall be exercised in accordance with the provisions of any federal law applicable to the commission; provided that if there is no such applicable federal law, condemnation proceedings shall be in accord-

matter for such period as the request is in effect. The Postmaster General shall permit the return of mail containing obscene, lewd, lascivious, or indecent matter, to local post offices, without cost to the recipient thereof. Nothing in this section shall be deemed to authorize the Postmaster General to open, inspect, or censor any mail except on specific request by the addressee thereof. The Postmaster General is authorized to prescribe such regulations as he may deem appropriate to carry out the purposes of this section.

PART II—FEDERAL SALARY REFORM

TITLE I—GENERAL POLICY

SHORT TITLE

SEC. 501. This part may be cited as the "Federal Salary Reform Act of 1962".

DECLARATION OF POLICY

SEC. 502. The Congress hereby declares that, whereas the functions of a Federal salary system are to fix salary rates for the services rendered by Federal employees so as to make possible the employment of persons well qualified to conduct the Government's programs and to control expenditures of public funds for personal services with equity to the employee and to the taxpayer, and whereas fulfillment of these functions is essential to the development and maintenance of maximum proficiency in the civilian services of

Government, then, accordingly, Federal salary fixing shall be based upon the principles that—

(a) There shall be equal pay for substantially equal work, and pay distinctions shall be maintained in keeping with work and performance distinctions; and

(b) Federal salary rates shall be comparable with private enterprise salary rates for the same levels of work.

Salary levels for the several Federal statutory salary systems shall be interrelated, and salary levels shall be set and henceforth adjusted in accordance with the above principles.

IMPLEMENTATION OF POLICY

SEC. 503. In order to give effect to the policy stated in section 502, the President: (1) shall direct such agency or agencies, as he deems appropriate, to prepare and submit to him annually a report which compares the rates of salary fixed by statute for Federal employees with the rates of salary paid for the same levels of work in private enterprise as determined on the basis of appropriate annual surveys conducted by the Bureau of Labor Statistics, and, after seeking the views of such employee organizations as he deems appropriate and in such manner as he may provide, (2) shall report annually to the Congress (a) this comparison of Federal and private enterprise salary rates

and (b) such recommendations for revision of statutory salary schedules, salary structures, and compensation policy, as he deems advisable.

SEC. 504. (a) Whenever the President shall find that the salary rates in private enterprise for one or more occupations in one or more areas or locations are so substantially above the salary rates of statutory pay schedules as to handicap significantly the Government's recruitment or retention of well-qualified persons in positions compensated under (1) section 603(b) of the Classification Act of 1949, as amended (5 U.S.C. 1113(b)), (2) the provisions of part III of title 39, United States Code, relating to personnel in the postal field service, (3) the pay scales for physicians, dentists, and nurses in the Department of Medicine and Surgery of the Veterans' Administration under chapter 73 of title 38, United States Code, or (4) sections 412 and 415 of the Foreign Service Act of 1946, as amended (22 U.S.C. 867 and 870), he may establish for such areas or locations higher minimum rates of basic compensation for one or more grades or levels, occupational groups, series, classes, or subdivisions thereof, and may make corresponding

increases in all step rates of the salary range for each such grade or level: Provided, That in no case shall any minimum salary rate so established exceed the seventh salary rate prescribed by law for the grade or level. The President may authorize the exercise of the authority conferred upon him by this section by the Civil Service Commission or, in the case of employees not subject to the civil service laws and regulations, by such other agency or agencies as he may designate.

(b) Within the limitations specified in subsection (a), rates of basic compensation established under such subsection may be revised from time to time by the President or by such agency or agencies as he may designate. Such actions or revisions shall have the force and effect of law.

(c) Any increase in rate of basic compensation established under this section shall not be regarded as an "equivalent increase" in compensation within the meaning of section 701(a) of the Classification Act of 1949, as amended, and section 3552 of title 39 of the United States Code.

SEC. 505. The functions, duties, and regulations of the departments and the Civil Service Commission with respect

to this title, the Classification Act of 1949, as amended, the provisions of part III of title 39, United States Code, relating to personnel in the postal field service, the Foreign Service Act of 1946, as amended, and the provisions of chapter 73 of title 38 of the United States Code relating to personnel of the Department of Medicine and Surgery in the Veterans' Administration, shall be subject to such policies and rules as the President may issue. Among other things, the President's policies and rules may provide for—

(1) preparing and reporting to him the annual comparison of Federal salary rates with private enterprise rates,

(2) obtaining and reporting to him the views of employee organizations on such annual comparison, and on other salary matters,

(3) reviewing and reporting to him on the adequacy of the Federal statutory salary structures for the Federal programs to which they apply,

(4) reviewing the relationship of Federal statutory salary rates and private enterprise salary rates in specific occupation and local areas, and

(5) providing step-increases in recognition of high quality performance and providing for properly relating supervisory salary rates paid under one system to those of subordinates paid under another system.

TITLE II—PAY SYSTEM OF THE CLASSIFICATION ACT OF 1949

SHORT TITLE

SEC. 601. This title may be cited as the "Classification Act Amendments of 1962".

BASIC COMPENSATION SCHEDULES

SEC. 602. (a) Section 603(b) of the Classificaton Act of 1949, as amended (74 Stat. 298; 5 U.S.C. 1113(b)), is amended to read as follows:

"(b) The compensation schedules for the General Schedule shall be as follows:

"COMPENSATION SCHEDULE I

"(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act, and ending immediately prior to the applicable initial effective date of Compensation Schedule II set forth below)

"Grade	Per annum rates and steps									
	1	2	3	4	5	6	7	8	9	10
GS-1	$3,245	$3,350	$3,455	$3,560	$3,665	$3,770	$3,875	$3,980	$4,085	$4,190
GS-2	3,560	3,665	3,770	3,875	3,980	4,085	4,190	4,295	4,400	4,505
GS-3	3,820	3,925	4,030	4,135	4,240	4,345	4,455	4,580	4,705	4,830
GS-4	4,110	4,250	4,390	4,530	4,670	4,810	4,950	5,090	5,230	5,370
GS-5	4,565	4,725	4,885	5,045	5,205	5,365	5,525	5,685	5,845	6,005
GS-6	5,095	5,205	5,375	5,545	5,715	5,885	6,055	6,225	6,395	6,565
GS-7	5,540	5,725	5,910	6,095	6,280	6,465	6,650	6,835	7,020	7,205
GS-8	6,090	6,295	6,500	6,705	6,910	7,115	7,320	7,525	7,730	7,935
GS-9	6,675	6,900	7,125	7,350	7,575	7,800	8,025	8,250	8,475	8,700
GS-10	7,290	7,535	7,780	8,025	8,270	8,515	8,760	9,005	9,250	9,495
GS-11	8,045	8,310	8,575	8,840	9,105	9,370	9,635	9,900	10,165	------
GS-12	9,475	9,790	10,105	10,420	10,735	11,050	11,365	11,680	11,995	------
GS-13	11,150	11,515	11,880	12,245	12,610	12,975	13,340	13,705	14,070	------
GS-14	12,845	13,270	13,695	14,120	14,545	14,970	15,395	15,820	16,245	------
GS-15	14,565	15,045	15,525	16,005	16,485	16,965	17,445	17,925	------	------
GS-16	16,000	16,500	17,000	17,500	18,000	------	------	------	------	------
GS-17	18,000	18,500	19,000	19,500	20,000	------	------	------	------	------
GS-18	20,000	------	------	------	------	------	------	------	------	------

"COMPENSATION SCHEDULE II

"(To be effective on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

"Grade	Per annum rates and steps									
	1	2	3	4	5	6	7	8	9	10
GS-1	$3,305	$3,410	$3,515	$3,620	$3,725	$3,830	$3,935	$4,040	$4,145	$4,250
GS-2	3,620	3,725	3,830	3,935	4,040	4,145	4,250	4,355	4,460	4,565
GS-3	3,880	3,985	4,090	4,195	4,300	4,405	4,525	4,650	4,775	4,900
GS-4	4,215	4,355	4,495	4,635	4,775	4,915	5,055	5,195	5,335	5,475
GS-5	4,690	4,850	5,010	5,170	5,330	5,490	5,650	5,810	5,970	6,130
GS-6	5,235	5,410	5,585	5,760	5,935	6,110	6,285	6,460	6,635	6,810
GS-7	5,795	5,990	6,185	6,380	6,575	6,770	6,965	7,160	7,355	7,550
GS-8	6,390	6,600	6,810	7,020	7,230	7,440	7,650	7,860	8,070	8,280
GS-9	7,030	7,260	7,490	7,720	7,950	8,180	8,410	8,640	8,870	9,100
GS-10	7,690	7,945	8,200	8,455	8,710	8,965	9,220	9,475	9,730	9,985
GS-11	8,410	8,690	8,970	9,250	9,530	9,810	10,090	10,370	10,650	------
GS-12	9,980	10,310	10,640	10,970	11,300	11,630	11,960	12,290	12,620	------
GS-13	11,725	12,110	12,495	12,880	13,265	13,650	14,035	14,420	14,805	------
GS-14	13,615	14,065	14,515	14,965	15,415	15,865	16,315	16,765	17,215	------
GS-15	15,665	16,180	16,695	17,210	17,725	18,240	18,755	19,270	------	------
GS-16	16,000	16,500	17,000	17,500	18,000	------	------	------	------	------
GS-17	18,000	18,500	19,000	19,500	20,000	------	------	------	------	------
GS-18	20,000	------	------	------	------	------	------	------	------	------

".

(b) The rates of basic compensation of officers and employees to whom Compensation Schedule I of the General Schedule set forth in subsection (a) of this section applies shall, subject to the provisions of paragraph (10) of this subsection, be initially adjusted, effective on the first day of the first pay period beginning on or after the date of enactment of this Act, as follows:

(1) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the first, second, third, fourth, fifth, sixth, or seventh scheduled rate, or at the first or second longevity rate of a grade below grade 4 of the General Schedule of the Classification Act of 1949, as amended, he shall be advanced as follows: Employees in step 1 to step 2 of the new schedule; step 2 to step 3; step 3 to step 4; step 4 to step 5; step 5 to step 6; step 6 to step 7; step 7 to step 8; the first longevity step to step 9; and the second longevity step to step 10.

(2) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the third longevity rate of a grade below grade 4 of the General Schedule of the

Classification Act of 1949, as amended, he shall receive basic compensation at the highest rate of the appropriate grade plus an amount equal to the value of the maximum within grade increment provided for that grade in effect on and after such day.

(3) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the first, second, third, fourth, fifth, sixth, or seventh scheduled rate, or at the first, second, or third longevity rate, of grade 4, 5, 6, 7, 8, 9, or 10 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, fifth, sixth, seventh, eighth, ninth, or tenth rate of the appropriate grade in effect on and after such day.

(4) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the first, second, third, fourth, fifth, or sixth scheduled rate, or at the first, second, or third longevity rate of grade 11, 12, 13, or 14 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the cor-

responding first, second, third, fourth, fifth, sixth, seventh, eighth, or ninth rate of the appropriate grade in effect on and after such day.

(5) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the first, second, third, fourth, or fifth scheduled rate, or at the first, second, or third longevity rate of grade 15 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, fifth, sixth, seventh, or eighth rate of such grade in effect on and after such day.

(6) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period, which begins on or after the date of enactment of this Act at the first, second, third, fourth, or fifth rate of grade 16 or grade 17 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, or fifth grade of the appropriate grade in effect on and after such day.

(7) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment

of this Act at the rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding rate of such grade in effect on and after such day.

(8) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at a rate between two scheduled or two longevity rates, or between a scheduled and a longevity rate, of a grade of the General Schedule, he shall receive a rate of basic compensation at the higher of the two corresponding rates, as specified in paragraphs (1) through (6) of this subsection, in effect on and after such day.

(9) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at a rate in excess of the maximum longevity rate for his grade, or in excess of the maximum scheduled rate for his grade if there is no longevity rate for his grade, he shall receive (A) the rate of the new schedule, in effect on and after such day, prescribed by paragraphs (1) through (6) of this subsection for employees at the maximum longevity rate or at the maximum scheduled rate, as the case may be, for his grade, or (B)

if such rate is less than his existing rate, (i) the lowest rate of the new schedule for his grade which equals or exceeds his existing rate or (ii) if there is no such rate, his existing rate.

(10) Service of officers and employees performed immediately preceding the first day of the first pay period which begins on or after the date of enactment of this Act, in the grade of the General Schedule in which their respective positions were placed on such day, shall be counted toward not to exceed one step increase under the time in grade provisions of subsection (a) of section 701 of the Classification Act of 1949 as amended by this Act.

(11) If the officer or employee, immediately prior to the first day of the first pay period which began on or after the date of enactment of this Act, is receiving, pursuant to paragraph (4) of section 2(b) of the Federal Employees Salary Increase Act of 1955, an existing aggregate rate of compensation determined under section 208(b) of the Act of September 1, 1954 (68 Stat. 1111; Public Law 763, Eighty-third Congress), plus the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, by section 2 of the Federal Employees Salary Increase Act of 1958, and by section 112 of the Federal Employees Salary Increase Act of 1960, he shall receive an aggre-

gate rate of compensation equal to the sum of (A) his existing aggregate rate of compensation determined under such section 208(b) of the Act of September 1, 1954, (B) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, (C) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1958, (D) the amount of the increase provided by section 112 of the Federal Employees Salary Increase Act of 1960, and (E) the amount of the increase made by this section in the maximum rate of his grade, until (i) he leaves his position, or (ii) he is entitled to receive aggregate compensation at a higher rate by reason of the operation of this Act or any other provision of law; but, when such position becomes vacant, the aggregate rate of compensation of any subsequent appointee thereto shall be fixed in accordance with applicable provisions of law. Subject to clauses (i) and (ii) of the immediately preceding sentence of this paragraph, the amount of the increase provided by this section shall be held and considered for the purpose of section 208(b) of such Act of September 1, 1954, to constitute a part of the existing rate of compensation of such employee.

(c) The rates of basic compensation of officers and employees to whom Compensation Schedule II of the Gen-

eral Schedule set forth in subsection (a) of this section applies shall be initially adjusted, effective as of the first day of the first pay period beginning on or after January 1, 1964, as follows:

(1) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after January 1, 1964, at one of the rates of a grade in the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding rate in effect on and after such date.

(2) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after January 1, 1964, at a rate between two rates of a grade in the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the higher of the two corresponding rates in effect on and after such date.

(3) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after January 1, 1964, at a rate in excess of the maximum rate for his grade, as in effect on and after such date, he shall receive (A) the rate of the new schedule prescribed for employees

at the maximum rate for his grade, or (B) his existing rate of basic compensation if such existing rate is higher.

(4) If the officer or employee, immediately prior to the first day of the first pay period which begins on or after January 1, 1964, is receiving, pursuant to paragraph (4) of section 2(b) of the Federal Employees Salary Increase Act of 1955, an existing aggregate rate of compensation determined under section 208(b) of the Act of September 1, 1954 (68 Stat. 1111; Public Law 763, Eighty-third Congress), plus the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, by section 2 of the Federal Employees Salary Increase Act of 1958, and by section 112 of the Federal Employees Salary Increase Act of 1960, and the amount of the initial increase provided by this section, he shall receive an aggregate rate of compensation equal to the sum of (A) his existing aggregate rate of compensation determined under such section 208(b) of the Act of September 1, 1954, (B) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, (C) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1958, (D) the amount of the increase provided by section 112 of the Federal Employees Salary Increase Act of 1960,

and (E) the amount of the increase made by this section in the maximum rate of his grade, until (i) he leaves his position, or (ii) he is entitled to receive aggregate compensation at a higher rate by reason of the operation of this Act or any other provision of law; but, when such position becomes vacant, the aggregate rate of compensation of any subsequent appointee thereto shall be fixed in accordance with applicable provisions of law. Subject to clauses (i) and (ii) of the immediately preceding sentence of this paragraph, the amount of the increase provided by this section shall be held and considered for the purpose of section 208(b) of such Act of September 1, 1954, to constitute a part of the existing rate of compensation of such employee.

STEP-INCREASES

SEC. 603. Title VII of the Classification Act of 1949, as amended (5 U.S.C. 1121–1125), relating to step-increases under such Act, is amended to read as follows:

"TITLE VII—STEP-INCREASES

"SEC. 701. (a) Each officer or employee compensated on a per annum basis, and occupying a permanent position within the scope of the compensation schedules fixed by this Act, who has not attained the maximum rate of compensation for the grade in which his position is placed, shall be advanced in compensation successively to the next higher

rate within the grade at the beginning of the next pay period following the completion of (1) each fifty-two calendar weeks of service in salary rates 1, 2, and 3, or (2) each one hundred and four calendar weeks of service in salary rates 4, 5, and 6, or (3) each one hundred and fifty-six calendar weeks of service in salary rates 7, 8, and 9, subject to the following conditions:

"(A) That no equivalent increase in compensation from any cause was received during such period;

"(B) That his work is of an acceptable level of competence as determined by the head of the department; and

"(C) That the benefit of successive step-increases shall be preserved, under regulations issued by the Commission, for officers and employees whose continuous service is interrupted in the public interest by service with the Armed Forces or by service in essential non-Government civilian employment during a period of war or national emergency.

"(b) Any increase in compensation granted by law shall not be construed to be an equivalent increase in compensation within the meaning of subsection (a).

"SEC. 702. (a) Within the limit of available appropriations and in accordance with regulations prescribed by the Commission, the head of each department is authorized to

grant additional step-increases in recognition of high quality performance above that ordinarily found in the type of position concerned. Step-increases under this section shall be in addition to those under section 701 and shall not be construed to be an equivalent increase in compensation within the meaning of subsection (a) of section 701.

"(b) No officer or employee shall be eligible under this section for more than one such additional step-increase within any period of fifty-two weeks.

"SEC. 703. This title shall not apply to the compensation of persons appointed by the President, by and with the advice and consent of the Senate."

GENERAL COMPENSATION RULES

SEC. 604. (a) Section 802(b) of the Classification Act of 1949, as amended (5 U.S.C. 1132(b)), relating to the salary to be received by an officer or employee who is promoted or transferred to a higher grade, is amended to read as follows:

"(b) Any officer or employee who is promoted or transferred to a position in a higher grade shall receive basic compensation at the lowest rate of such higher grade which exceeds his existing rate of basic compensation by not less than two step-increases of the grade from which he is promoted or transferred. If, in the case of any officer or employee so promoted or transferred who is receiving basic

compensation at a rate in excess of the maximum rate for his grade under any provision of law, there is no rate in such higher grade which is at least two step-increases above his existing rate of basic compensation, he shall receive (1) the maximum rate of such higher grade, or (2) his existing rate of basic compensation, if such existing rate is the higher. In case any such officer or employee so promoted or transferred is receiving basic compensation at a rate saved to him under section 507 of this Act upon reduction in grade, such officer or employee shall receive (A) basic compensation at a rate two steps above the rate which he would be receiving if such section 507 were not applicable in his case, or (B) his existing rate of basic compensation, if such existing rate is the higher."

(b) Section 802 of such Act is amended by adding at the end thereof a new subsection to read as follows:

"(d) The Commission may issue regulations governing the retention of the rate of basic compensation of an employee who together with his position is brought under this Act. If any such employee so entitled to receive a retained rate under regulations issued pursuant to this subsection is later demoted to a position under this Act, his rate of basic compensation shall be determined in accordance with section 507 of this Act, except that service in the position which was

brought under the Act shall, for purposes of section 507, be considered as service under this Act.".

(c) Section 803 of the Classification Act of 1949, as amended (5 U.S.C. 1133), is amended to read as follows:

"SEC. 803. Each employee in a position under this Act, who regularly has responsibility for supervision (including supervision over the technical aspects of the work concerned) over employees whose compensation is fixed and adjusted from time to time by wage boards or similar administrative authorities as nearly as is consistent with the public interest in accordance with prevailing rates, may, in accordance with regulations issued by the Commission, be paid at one of the scheduled rates for his grade which is above the highest rate of basic compensation being paid to any such prevailing-rate employee regularly supervised, or at the maximum rate for his grade, as provided for in such regulations.".

SALARY RETENTION

SEC. 605. Section 507 of the Classification Act of 1949, as amended (72 Stat. 830; 5 U.S.C. 1107), is amended—

(1) by striking out "(other than grade 16, 17, or 18 of the General Schedule)" in paragraph (1) of subsection (a) of such section; and

(2) by striking out "(B) in the same grade or in the same and higher grades;" in paragraph (4) of subsection (a) of such section; and by inserting in

lieu thereof "(B) in any grade or grades higher than the grade to which demoted;".

TOP GRADE POSITIONS UNDER CLASSIFICATION ACT OF 1949

SEC. 606. (a) Section 505(b) of the Classification Act of 1949, as amended (5 U.S.C. 1105(b)), relating to the limitation on numbers of positions in grades 16, 17, and 18 of the General Schedule of such Act, is amended by striking out "not to exceed an aggregate of nineteen hundred and eighty-nine" and substituting in lieu thereof "not to exceed an aggregate of twenty-four hundred, in addition to any professional engineering positions primarily concerned with research and development and professional positions in the physical and natural sciences and medicine which may be placed in such grades".

(b) Section 505(j) of such Act is amended by inserting after the word "positions" the following: "(in addition to any professional engineering positions primarily concerned with research and development and professional positions in the physical and natural sciences and medicine which may be placed in such grades)".

(c) Section 505 of such Act is further amended by inserting after subsection (j) the following new subsections:

"(k) The Attorney General is authorized, without regard to any other provision of this section, to place a total

of ten positions of Warden in the Bureau of Prisons in grade 16 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grade by subsection (b).

"(l) The Attorney General is authorized, without regard to any other provision of this section, to place a total of eight positions of Member of the Board of Parole in grade 17 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grade by subsection (b)."

CONFORMING CHANGES IN EXISTING LAW

SEC. 607. (a) The following provisions of law are hereby repealed:

(1) Section 104 of the Department of Commerce and Related Agencies Appropriation Act, 1956 (69 Stat. 234; 5 U.S.C. 592(d)), authorizing grade 17 of the General Schedule of the Classification Act of 1949 for the position of Budget Officer of the Department of Commerce so long as the position is held by the present incumbent.

(2) Section 206 of the Public Works Appropriation Act, 1956 (69 Stat. 360; 5 U.S.C. 483–2), authorizing the Secretary of the Interior to place the position of Director, Division of Budget and Finance, in grade 17 of the General Schedule established by the Classification Act of 1949 so long as the position is held by the present incumbent.

(3) The second paragraph under the heading "Administrative Provisions" in title III of the Public Works Appropriation Act, 1956 (69 Stat. 364; 10 U.S.C. 1335, note), authorizing the Chief of Engineers to place the position of Chief of the Programs Branch, Office of the Assistant Chief of Engineers for Civil Works, in grade 17 of the General Schedule established by the Classification Act of 1949 so long as the position is held by the present incumbent.

(4) Section 24(d) of the Area Redevelopment Act (75 Stat. 62; 42 U.S.C. 2521(d)), authorizing five positions in grades 16, 17, and 18 of the General Schedule established by the Classification Act of 1949 for agencies performing functions under that Act.

(5) The fourth sentence of section 3(a) of the Fish and Wildlife Act of 1956 (70 Stat. 1120; 16 U.S.C. 742b(a)), relating to the annual salary of the Commissioner of Fish and Wildlife in the Department of the Interior, which reads: "He shall receive compensation at the same rate as that provided for grade GS–18.".

(6) That part of section 207 of the Agricultural Act of 1956 (70 Stat. 200; 7 U.S.C. 1857), relating to the annual salary of an agricultural surplus disposal administrator in the Department of Agriculture, which reads: ", at a salary rate of not exceeding $15,000 per annum,".

(7) Section 1102 of the Classification Act of 1949, as

amended (63 Stat. 971; 5 U.S.C. 1073), relating to the submission of reports with respect to the rates of compensation under, and the administration of, such Act.

(b) The second proviso of the paragraph under the heading "FEDERAL PRISON SYSTEM" and under the subheading "SALARIES AND EXPENSES, BUREAU OF PRISONS" in title II (the Department of Justice Appropriation Act, 1956) of the Departments of State and Justice, the Judiciary, and Related Agencies Appropriations Act, 1956 (69 Stat. 273; Public Law 133, Eighty-fourth Congress; 5 U.S.C. 298a) is amended by striking out "three positions" and inserting in lieu thereof "one position".

SEC. 608. (a) Each position specifically referred to in, or covered by, any repeal made by section 607(a) of this title shall be placed in the appropriate grade of the General Schedule of the Classification Act of 1949, as amended, in accordance with the provisions of such Act.

(b) Positions in grade 16, 17, or 18, as the case may be, of the General Schedule of the Classification Act of 1949, as amended, immediately prior to the effective date of

this section, shall remain, on and after such effective date, in their respective grades, until appropriate action is taken under section 505 of the Classification Act of 1949 as in effect on and after such effective date.

SAVINGS PROVISIONS

SEC. 609. (a) The changes in existing law made by this title shall not affect any position existing immediately prior to the effective date of any such changes in existing law, the compensation attached to such position, and any incumbent thereof, his appointment thereto, and his entitlement to receive the compensation attached thereto, until appropriate action is taken in accordance with this title.

(b) The incumbent of each such position immediately prior to the effective date of this title shall continue to receive the rate of basic compensation which he was receiving immediately prior to such effective date until he leaves such position or until he is entitled to receive compensation at a higher rate in accordance with law. When such incumbent leaves such position, the rate of basic compensation of each subsequent appointee to such position shall be deter-

mined in accordance with the Classification Act of 1949, as amended.

EFFECTIVE DATES

SEC. 610. Except as otherwise expressly provided in this title, the provisions of this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

TITLE III—POSTAL FIELD SERVICE EMPLOYEES

SHORT TITLE

SEC. 701. This title may be cited as the "Postal Employees Salary Adjustment Act of 1962".

POSTAL FIELD SERVICE SCHEDULES

SEC. 702. Subsection (a) of section 3542 of title 39, United States Code, is amended to read as follows:

"(a) There are established basic compensation schedules for positions in the postal field service which shall be known as the Postal Field Service Schedules and for which the symbol shall be 'PFS'. Each such schedule shall be in effect for the period specified with respect to such schedule. Except as provided in sections 3543 and 3544 of this title, basic compensation shall be paid to all employees in accordance with these schedules.

"POSTAL FIELD SERVICE SCHEDULE I

"(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act, and ending immediately prior to the applicable initial effective date of the second PFS schedule set forth below)

"PFS	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
1	$3,595	$3,725	$3,855	$3,985	$4,115	$4,245	$4,375	$4,505	$4,635	$4,765	$4,895	$5,025
2	3,905	4,040	4,175	4,310	4,445	4,580	4,715	4,850	4,985	5,120	5,255	5,390
3	4,230	4,375	4,520	4,665	4,810	4,955	5,100	5,245	5,390	5,535	5,680	5,825
4	4,565	4,725	4,885	5,045	5,205	5,365	5,525	5,685	5,845	6,005	6,165	6,325
5	4,965	5,130	5,295	5,460	5,625	5,790	5,955	6,120	6,285	6,450	6,615	6,780
6	5,365	5,545	5,725	5,905	6,085	6,265	6,445	6,625	6,805	6,985	7,165	7,345
7	5,805	6,000	6,195	6,390	6,585	6,780	6,975	7,170	7,365	7,560	-------	-------
8	6,285	6,495	6,705	6,915	7,125	7,335	7,545	7,755	7,965	8,175	-------	-------
9	6,805	7,030	7,255	7,480	7,705	7,930	8,155	8,380	8,605	8,830	-------	-------
10	7,395	7,640	7,885	8,130	8,375	8,620	8,865	9,110	9,355	9,600	-------	-------
11	8,045	8,310	8,575	8,840	9,105	9,370	9,635	9,900	10,165	-------	-------	-------
12	8,840	9,135	9,430	9,725	10,020	10,315	10,610	10,905	11,200	-------	-------	-------
13	9,725	10,050	10,375	10,700	11,025	11,350	11,675	12,000	12,325	-------	-------	-------
14	10,705	11,060	11,415	11,770	12,125	12,480	12,835	13,190	13,545	-------	-------	-------
15	11,780	12,170	12,560	12,950	13,340	13,730	14,120	14,510	14,900	-------	-------	-------
16	12,955	13,385	13,815	14,245	14,675	15,105	15,535	15,965	-------	-------	-------	-------
17	14,260	14,730	15,200	15,670	16,140	16,610	17,080	17,550	-------	-------	-------	-------
18	15,500	16,000	16,500	17,000	17,500	18,000	18,500	-------	-------	-------	-------	-------
19	16,750	17,250	17,750	18,250	18,750	19,250	-------	-------	-------	-------	-------	-------
20	18,000	18,500	19,000	19,500	-------	-------	-------	-------	-------	-------	-------	-------

"POSTAL FIELD SERVICE SCHEDULE II

"(To be effective on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

"PFS	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
1	$3,690	$3,820	$3,950	$4,080	$4,210	$4,340	$4,470	$4,600	$4,730	$4,860	$4,990	$5,120
2	4,010	4,145	4,280	4,415	4,550	4,685	4,820	4,955	5,090	5,225	5,360	5,495
3	4,345	4,490	4,635	4,780	4,925	5,070	5,215	5,360	5,505	5,650	5,795	5,940
4	4,690	4,850	5,010	5,170	5,330	5,490	5,650	5,810	5,970	6,130	6,290	6,450
5	5,085	5,255	5,425	5,595	5,765	5,935	6,105	6,275	6,445	6,615	6,785	6,955
6	5,500	5,685	5,870	6,055	6,240	6,425	6,610	6,795	6,980	7,165	7,350	7,535
7	5,950	6,150	6,350	6,550	6,750	6,950	7,150	7,350	7,550	7,750	-------	-------
8	6,440	6,655	6,870	7,085	7,300	7,515	7,730	7,945	8,160	8,375	-------	-------
9	6,965	7,200	7,435	7,670	7,905	8,140	8,375	8,610	8,845	9,080	-------	-------
10	7,550	7,900	8,150	8,400	8,650	8,900	9,150	9,400	9,650	9,900	-------	-------
11	8,410	8,690	8,970	9,250	9,530	9,810	10,090	10,370	10,650	-------	-------	-------
12	9,270	9,575	9,880	10,185	10,490	10,795	11,100	11,405	11,710	-------	-------	-------
13	10,210	10,545	10,880	11,215	11,550	11,885	12,220	12,555	12,890	-------	-------	-------
14	11,240	11,610	11,980	12,350	12,720	13,090	13,460	13,830	14,200	-------	-------	-------
15	12,370	12,780	13,190	13,600	14,010	14,420	14,830	15,240	15,650	-------	-------	-------
16	13,625	14,075	14,525	14,975	15,425	15,875	16,325	16,775	-------	-------	-------	-------
17	15,000	15,495	15,990	16,485	16,980	17,475	17,970	18,465	-------	-------	-------	-------
18	15,500	16,000	16,500	17,000	17,500	18,000	18,500	-------	-------	-------	-------	-------
19	16,750	17,250	17,750	18,250	18,750	19,250	-------	-------	-------	-------	-------	-------
20	18,000	18,500	19,000	19,500	-------	-------	-------	-------	-------	-------	-------	-------

RURAL CARRIER SCHEDULES

SEC. 703. (a) Section 3543(a) of title 39, United States Code, is amended to read as follows:

"(a) There are established basic compensation schedules which shall be known as the Rural Carrier Schedules, and for which the symbol shall be 'RCS'. Each such schedule shall be in effect for the period specified with respect to such schedule.

"*RURAL CARRIER SCHEDULE I*

"(*To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act, and ending immediately prior to the applicable initial effective date of the second RCS Schedule set forth below*)

	"Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
Carriers in rural delivery service:												
Fixed compensation per annum	$2,027	$2,127	$2,227	$2,327	$2,427	$2,527	$2,627	$2,727	$2,827	$2,927	$3,027	$3,127
Compensation per mile per annum for each mile up to 30 miles of route	75	77	79	81	83	85	87	89	91	93	95	97
For each mile of route over 30 miles	24	24	24	24	24	24	24	24	24	24	24	24

"*RURAL CARRIER SCHEDULE II*

"(*To be effective for the period beginning on the first day of the first pay period beginning on or after January 1, 1964, and thereafter*)

	"Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
Carriers in rural delivery service:												
Fixed compensation per annum	$2,080	$2,180	$2,280	$2,380	$2,480	$2,580	$2,680	$2,780	$2,880	$2,980	$3,080	$3,180
Compensation per mile per annum for each mile up to 30 miles of route	77	79	81	83	85	87	89	91	93	95	97	99
For each mile of route over 30 miles	25	25	25	25	25	25	25	25	25	25	25	25"

(b) Section 3543(c) of title 39, United States Code, is amended to read as follows:

"(c) The Postmaster General may pay such additional compensation as he may determine to be fair and reasonable in each individual case to rural carriers serving heavily patronized routes."

(b) The first sentence of section 3543(f) of title 39

United States Code, is amended to read as follows: "In addition to the compensation provided in the Rural Carrier Schedule, each rural carrier shall be paid for equipment maintenance a sum equal to—

"(1) 12 cents per mile for each mile or major fraction of a mile scheduled, or

"(2) $4.20 per day, whichever is greater."

(c) Section 3543 of title 39, United States Code, is amended by adding thereto new subsections (i) and (j) as follows:

"(i) Each person serving as a substitute of record on the effective date of this subsection shall be placed in step 2 of the Rural Carrier Schedule and he shall be advanced by step-increases, on the basis of time on the rolls prior to the effective date, in accordance with the schedule of step-increases provided in section 3552, except that no such person shall be so advanced to a step higher than the step to which a regular carrier with the same length of service would have advanced prior to such effective date. Thereafter, he shall be advanced

by step-increases, pursuant to the provisions of sections 3552 and 3553 of this title. On and after the effective date of this subsection, each substitute rural carrier shall be paid the daily rate, based on the step attained by him, for the route on which service is performed.

"(j) Each temporary rural carrier who, on the effective date of this subsection, is serving on a vacant route pending the appointment of a regular rural carrier shall be placed in step 2 and shall be advanced by step-increases on the basis of any prior substitute or temporary rural carrier service in accordance with the schedule of step-increases provided in section 3552."

FOURTH CLASS OFFICE SCHEDULES

SEC. 704. (a) Section 3544(a) of title 39, United States, Code, is amended to read as follows:

"(a) There are established basic compensation schedules which shall be known as the Fourth Class Office Schedules, and for which the symbol shall be 'FOS', for postmasters in post offices of the fourth class. Each such schedule shall be in effect for the period specified with respect to such schedule. Each such schedule is based upon the gross postal receipts as contained in returns of the post office for the calendar year immediately preceding. Basic compensation shall be paid to postmasters in post offices of the fourth class in accordance with these schedules.

"FOURTH CLASS OFFICE SCHEDULE I

"(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactmen of this Act and en ing immediately prior to the applicable initial effective date of the second FOS schedule set forth below)

"Gross receipts	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
$1,300 to $1,499.99	$3,277	$3,386	$3,495	$3,604	$3,713	$3,822	$3,931	$4,040	$4,149	$4,258	$4,367	$4,476
$900 to $1,299.99	3,003	3,102	3,201	3,300	3,399	3,498	3,597	3,696	3,795	3,894	3,993	4,092
$600 to $899.99	2,457	2,540	2,623	2,706	2,789	2,872	2,955	3,038	3,121	3,204	3,287	3,370
$350 to $599.99	1,911	1,973	2,035	2,097	2,159	2,221	2,283	2,345	2,407	2,469	2,531	2,593
$250 to $349.99	1,366	1,410	1,454	1,498	1,542	1,586	1,630	1,674	1,718	1,762	1,806	1,850
$200 to $249.99	1,092	1,128	1,164	1,200	1,236	1,272	1,308	1,344	1,380	1,416	1,452	1,488
$100 to $199.99	820	846	872	898	924	950	976	1,002	1,028	1,054	1,080	1,106
Under $100	545	562	579	596	613	630	647	664	681	698	715	732

"FOURTH CLASS SCHEDULE II

"(To be effective on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

"Gross receipts	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
$1,300 to $1,499.99	$3,426	$3,540	$3,654	$3,768	$3,882	$3,996	$4,110	$4,224	$4,338	$4,452	$4,566	$4,680
$900 to $1,299.99	3,140	3,243	3,346	3,449	3,552	3,655	3,758	3,861	3,964	4,067	4,170	4,273
$600 to $899.99	2,569	2,655	2,741	2,827	2,913	2,999	3,085	3,171	3,257	3,343	3,429	3,515
$350 to $599.99	1,998	2,068	2,138	2,208	2,278	2,348	2,418	2,488	2,558	2,628	2,698	2,768
$250 to $349.99	1,428	1,474	1,520	1,566	1,612	1,658	1,704	1,750	1,796	1,842	1,888	1,934
$200 to $249.99	1,142	1,179	1,216	1,253	1,290	1,327	1,364	1,401	1,438	1,475	1,512	1,549
$100 to $199.99	857	884	911	938	965	992	1,019	1,046	1,073	1,111	1,127	1,154
Under $100	569	588	607	626	645	664	683	702	721	740	759	778".

(b) Section 3544(b) of title 39, United States Code, is amended to read as follows:

"(b) The basic salary of postmasters in fourth-class post offices shall be readjusted for changes in gross receipts at the start of the first pay period after the beginning of each fiscal year. When a post office is restored to a gross receipts category held by it prior to relegation to a lower gross receipts category, the postmaster's basic salary shall be adjusted to the highest salary step held by him when the post office was in the higher gross receipts category. In all other cases, in adjusting a postmaster's basic salary under this section, the basic salary shall be fixed at the lowest step which is higher than the basic salary received by the postmaster at the end of the preceding fiscal year. If there is no such step the basic

salary shall be fixed at the highest step for the adjusted gross receipts of the office. Each increase in basic salary because of change in gross receipts shall be deemed the equivalent of a step-increase under section 3552 of this title and the waiting period, for purposes of advancement to the next step, shall begin on the date of adjustment."

SEC. 705. Section 3552 of title 39, United States Code, is amended to read as follows:

"§ 3552. Automatic advancement by step increases

"(a)(1) Each employee in levels 1 through 6 of the Postal Field Service Schedule, each employee subject to the Rural Carrier Schedule, and each employee subject to the Fourth Class Office Schedule, who has not reached the highest step for his position, shall be advanced successively to the next higher step as follows:

"(A) To steps 2, 3, 4, 5, 6, and 7—at the beginning of the first pay period following the completion of fifty-two calendar weeks of satisfactory service; and,

"(B) To steps 8 and above—at the beginning of the first pay period following the completion of one hundred and fifty-six calendar weeks of satisfactory service.

"(2) Each employee in the postal field service in level 7 or above of the Postal Field Service Schedule, who has not

reached the highest step for his position, shall be advanced successively to the next higher step, as follows:

"(A) To steps 2, 3, and 4—at the beginning of the first pay period following the completion of fifty-two calendar weeks of satisfactory service;

"(B) To steps 5, 6, and 7—at the beginning of the first pay period following the completion of one hundred and four calendar weeks of satisfactory service; and,

"(C) To steps 8 and above—at the beginning of the first pay period following the completion of one hundred and fifty-six calendar weeks of satisfactory service.

"(3) The receipt of an equivalent increase during any of the waiting periods specified in this subsection shall cause a new full waiting period to commence for further step-increases.

"(b) Any increase in basic compensation granted by law on or after the date of enactment of the Postal Employees Salary Adjustment Act of 1962, to employees in the postal field service shall not be deemed to be an equivalent increase in basic compensation within the meaning of subsection (a) of this section.

"(c) The benefit of successive step-increases shall be preserved, under regulations prescribed by the Postmaster

General, for employees whose continuous service is interrupted by service in the armed services."

SEC. 706. Section 3554 of title 39, United States Code, is amended to read as follows:

"§ 3554. Compensation of certain temporary employees

"Temporary employees hired for a continuous period of one year or less for a position in the postal field service shall be paid basic compensation at the entrance step of the position to which they are appointed.".

SEC. 707. Section 3559 of title 39, United States Code, is amended to read as follows:

"§ 3559. Promotions

"An employee who is promoted to a position in the Postal Field Service Schedule which is not more than two salary levels above the salary level of the position from which promoted shall be paid basic compensation at the lowest step of the higher salary level which exceeds his existing basic compensation by not less than two steps of the salary level from which promoted. An employee who is promoted to a position in the Postal Field Service Schedule which is more than two salary levels above the level of the position from which promoted shall be paid basic compensation at the lowest step of the higher salary level which exceeds his existing basic compensation by not less than three steps of the salary level from which promoted. If there is no step in the salary level

to which the employee is promoted which exceeds his existing basic compensation by at least the amount of the specified difference, the employee shall be paid the rate for the maximum step of the salary level to which promoted, or his existing basic compensation, whichever is higher.".

SEC. 708. Subsection (a)(4) of section 6402 of title 39, United States Code, is amended to read as follows:

"(4) delivery and collection service may not be established or extended under a star route contract on a rural route except when such rural route does not meet the minimum standards established by the Postmaster General, and becomes vacant; and".

SEC. 709. Section 3101 of title 39, United States Code, is amended by deleting paragraphs (5) and (6), and inserting in lieu thereof, the following:

"(5) 'basic salary' and 'basic compensation' mean the rate of annual or hourly compensation specified by law, exclusive of overtime and night differential.".

SEC. 710. Subsection 3541(d) of title 39, United States Code, is amended by (a) inserting in paragraph (3) thereof, after "rural carriers," the phrase "(other than substitute rural carriers,)" and (b) adding a new paragraph (5) as follows:

"(5) To compute the daily rate of basic compen-

sation for substitute rural carriers, the annual rate of compensation shall be divided by 304.".

CONVERSION AS OF THE FIRST PAY PERIOD BEGINNING ON OR AFTER THE DATE OF ENACTMENT OF THIS ACT

SEC. 711. (a) The basic compensation of each employee subject to Postal Field Service Schedule I or Rural Carrier Schedule I, as the case may be, on the effective date of such schedule shall be determined as follows:

(1) Each employee shall be assigned to the same numerical level and step he was in prior to the effective date of such schedule, except that employees in the first four levels of the Postal Field Service Schedule and employees (except employees subject to section 3543(j) of title 39, United States Code) in the Rural Carrier Schedule shall be advanced as follows: Employees in step 1 to step 2 of the new schedule; step 2 to step 3; step 3 to step 4; step 4 to step 5; step 5 to step 6; step 6 to step 7; step 7 to step 8. If changes in level or step would otherwise occur on the effective date of such schedule without regard to the enactment of such schedule, such changes shall be deemed to have occurred prior to conversion under this paragraph.

(2) In addition to conversion under paragraph (1) of this subsection, each employee shall be advanced one

additional step for each longevity step which he had earned on or prior to such conversion.

(3) Credit toward the next step-increase (other than toward longevity steps) earned by an employee who had not reached step 7 or who is not advanced to step 7 under paragraph (1) prior to the effective date of such schedule shall be creditable under subsection 3552(a) and section 3553 of title 39, United States Code, toward further step-increases if no step-increases were granted pursuant to paragraph (2) of this subsection. Credit earned toward longevity step-increases prior to the effective date of such schedule shall not be creditable toward further step-increases pursuant to subsection 3552(a), and section 3553 of title 39, United States Code.

(b) The basic compensation of each postmaster subject to the Fourth Class Office Schedule I on the effective date of such schedule shall be determined as follows:

(1) Each postmaster shall be assigned to the same receipts category and numerical step he was in prior to the effective date of such schedule. If changes in receipts category or step would otherwise occur on the effective date of such schedule without regard to the enactment of such schedule, such changes in receipts category or step shall be deemed to have occurred prior to conversion.

(2) Postmasters who, as of the effective date of this schedule, have not reached step 7, shall retain credit for advancement to the next step under section 3552(a) and section 3553 of title 39, United States Code, if no step-increases are granted pursuant to paragraph 3 of this subsection. Credit earned toward longevity step-increases prior to the effective date of such schedule shall not be creditable toward further step-increases under section 3552(a) and section 3553 of title 39, United States Code.

(3) For each longevity step earned on or prior to the effective date of such schedule postmasters shall be advanced one step.

(c) If the existing basic compensation of any employee subject to the Postal Field Service Schedule, Rural Carrier Schedule, or Fourth Class Office Schedule, as the case may be, is greater than the rate established by subsection (a) or (b) of this section, he shall be placed in the first step of such schedule which exceeds his existing basic compensation; if the existing basic compensation is greater than any numerical step, his existing basic compensation shall be established as his basic compensation.

CONVERSION AS OF THE FIRST PAY PERIOD BEGINNING ON OR AFTER JANUARY 1, 1964

SEC. 712. The basic compensation of each employee subject to the Postal Field Service Schedule II, Rural Carrier Schedule II, or Fourth Class Office Schedule II, as the case may be, on the effective date of such schedule shall be determined as follows:

(1) Each employee shall be assigned to the same numerical step for his position which he had attained prior to the effective date of such schedule. If changes in levels, receipts categories, or steps would otherwise occur on the effective date of such schedule without regard to enactment of such schedule, such changes shall be deemed to have occurred prior to conversion.

(2) If existing basic compensation is greater than the rate to which the employee is converted under paragraph (1) of this section, the employee shall be placed in the lowest step which exceeds his basic compensation; if the existing basic compensation exceeds the maximum step of his position, his existing basic compensation shall be established as his basic compensation.

SEC. 713. Subject to sections 711(c) and 712(2) of this title, rates of compensation fixed by reason of section 3560 of title 39, United States Code, shall not be increased by this title, notwithstanding any provision of such section to the contrary.

BASIC SALARY IN CASES OF ASSIGNMENTS OF POSTAL EMPLOYEES

SEC. 714. (a) Section 3335(b) of title 39, United States Code, is amended by adding at the end thereof the following sentence: "The Postmaster General may pay, as he deems advisable, in cases of such assignments, a basic salary computed in accordance with the provisions of such section 3559 without regard to the requirement in this subsection of assignment for more than thirty days in a calendar year.".

(b) Each payment of an increase in basic salary which was made prior to the date of enactment of this section for services performed for periods of thirty days or less in any calendar year in the course of an assignment referred to in section 3335(b) of title 39, United States Code, by a postal field service employee assigned to duties and responsibilities of a higher salary level, and which would have been authorized by such section 3335(b). if such services had been performed in the course of such assignment after the completion by such employee of thirty days of service in any calendar year in such higher salary level, are hereby validated

to the same extent as if such services had been performed after the completion of thirty days of service in any calendar year in the course of such assignment. Payments of increases validated by this subsection shall be considered as basic salary for the purposes of the Civil Service Retirement Act (5 U.S.C. 2251–2267).

SALARY PROTECTION REVISION

SEC. 715. (a) Section 3560(a)(1) of title 39, United States Code, is amended to read as follows:

"(1) basic salary and salary level, with respect to the Postal Field Service Schedule,".

(b) Section 3560(b)(4) of title 39, United States Code, is amended to read as follows:

"(4) who, for two continuous years immediately prior to such reduction in salary standing, served in the postal field service with any salary standing higher than the salary standing to which he is reduced; and".

(c) Section 3560(c) of title 39, United States Code, is amended—

(1) by striking out the period at the end of paragraph (B) and inserting "; or" in lieu of such period, and

(2) by adding at the end of such section 3560(c) the following paragraph:

"(C) the amount of the rate in the lowest salary

standing which such employee held during the two years immediately preceding such reduction in salary standing augmented by each step increase which he would have earned in such salary standing and by each increase provided by law in such salary rate.".

(d)(1) Subject to paragraph (2) of this section, the amendments made by this section to sections 3560(a)(1), 3560(b)(4), and 3560(c) of title 39, United States Code, shall apply only with respect to reductions in salary standing occurring on or after the date of enactment of this Act.

(2) Payments not authorized by section 3560 of title 39, United States Code, which were made prior to the date of enactment of this Act to employees in the postal field service in connection with reductions in salary standing and which would have been authorized under such section 3560 if the amendments made by this section to subsections (b)(4) and (c) of such section 3560 had been in effect at the time such payments were made, are hereby validated to the same extent as if such amendments had been in effect at such time.

RULES FOR SPECIAL COMPENSATION

SEC. 716. Chapter 41 of title 39, United States Code, is amended by adding immediately following section 3105 a new section 3106 as follows:

"§ 3106. Special compensation rules

"In order that the basic compensation schedules in sec-

tions 3542, 3543, and 3544 of this title may be used equitably and with maximum effect to attract and motivate employees, the Postmaster General may prescribe regulations pursuant to which he may, within the limit of available appropriations, grant to any officer or employee before the expiration of the periods prescribed by section 3552, step-increases in recognition of extra competence: Provided, That no officer or employee shall be eligible under this section for more than one such additional step-increase within any period of fifty-two weeks, and such increase shall not be considered to be an equivalent increase."

PERSONNEL REQUIREMENTS

SEC. 717. (a) Section 3301 of title 39, United States Code, is amended to read as follows:

"§ 3301. Personnel requirements

"The Postmaster General shall determine the personnel requirements of the postal field service, and fix the number of supervisors and other employees in that service, except that there may not be at any one time more than one assistant postmaster employed at any post office or a total of 70 employees assigned to salary levels 18, 19, and 20 in the postal field service."

(b) Section 1310(a) of the Act of November 1, 1951 (65 Stat. 757), as amended, which fixes a ceiling on permanent employees in the Federal Government, is amended by

inserting after the word "Provided," the following: "That increases in the number of permanent personnel in the Postal Field Service not exceeding 10 per centum above the total number of its permanent employees on September 1, 1950 shall not be chargeable to this limitation: And provided further,".

CONFORMING AMENDMENT

SEC. 718. (a) The table of contents of chapter 41 of title 39, United States Code, is amended by adding after the heading entitled "EMPLOYEES GENERALLY", the following:

"3106. Special compensation rules".

(b) The table of contents of chapter 45 of title 39, United States Code, is amended by deleting "3558. Longevity step-increases".

REPEALS

SEC. 719. Sections 101 through 105 of the Act of July 1, 1960 (74 Stat. 296, Public Law 86-568), and section 3558 of title 39, United States Code, are repealed.

EFFECTIVE DATES

SEC. 720. Except as otherwise expressly provided in this title, the provisions of this title shall become effective on the

first day of the first pay period which begins on or after the date of enactment of this Act, except that section 712 (conversion rules for second postal field service salary increases) shall become effective on the first day of the first pay period which begins on or after January 1, 1964.

TITLE IV—DEPARTMENT OF MEDICINE AND SURGERY IN THE VETERANS' ADMINISTRATION

SEC. 801. (a) Section 4103 of title 38 of the United States Code, relating to the appointment and annual salaries of the Chief Medical Director and certain other officers of the Department of Medicine and Surgery of the Veterans' Administration, is amended by striking out the words "not to exceed eight Assistant Chief Medical Directors" in subsection (a) and inserting in lieu thereof the words "not to exceed five Assistant Chief Medical Directors, such Medical Directors as may be designated to suit the needs of the Department,".

(b) Such section is further amended by striking out subsections (d) to (i), inclusive, and inserting in lieu thereof the following:

"(d) Each Assistant Chief Medical Director shall be

appointed by the Administrator upon the recommendation of the Chief Medical Director and shall be paid a salary of $20,000 a year.

"One Assistant Chief Medical Director shall be a qualified doctor of dental surgery or dental medicine who shall be directly responsible to the Chief Medical Director for the operations of the Dental Service.

"(e) Medical Directors, during their period of service as such, shall be paid a salary of $18,500 minimum to $19,500 maximum a year.

"(f) The Director of Nursing Service shall be a qualified registered nurse, appointed by the Administrator, and shall be responsible to the Chief Medical Director for the operation of the Nursing Service. During the period of service as such, the Director of Nursing Service shall be paid, effective on the first day of the first pay period beginning on or after—

"the date of enactment of the Federal Salary Reform Act of 1962, a salary of $14,565 minimum to $17,925 maximum a year;

"January 1, 1964, a salary of $15,665 minimum to $19,270 maximum a year.

"(g) The Administrator may appoint a chief pharmacist and a chief dietitian. During the period of his serv-

ice as such, the chief pharmacist and the chief dietitian shall be paid, effective on the first day of the first pay period beginning on or after—

"the date of enactment of the Federal Salary Reform Act of 1962, a salary of $14,565 minimum to $17,925 maximum a year;

"January 1, 1964, a salary of $15,665 minimum to $19,270 maximum a year.

"(h) Except as provided in subsection (j), any appointment under this section shall be for a period of four years but persons so appointed shall be subject to removal by the Administrator for cause.

"(i) Reappointments may be made for successive like periods.

"(j) The Administrator may designate a member of the Chaplain Service of the Veterans' Administration as Director, Chaplain Service, for a period of two years, subject to removal by the Administrator for cause. During the period that any such member serves as Director, Chaplain Service, he shall be paid a salary, as determined by the Administrator, within the minimum and maximum salary limitations prescribed for grade GS–15 positions by the Classification Act of 1949, as amended. Redesignations under this subsection may be made for successive like periods. An individual designated as Director, Chaplain Serv-

ice, shall at the end of his period of service as Director revert to the position, grade, and status which he held immediately prior to being designated Director, Chaplain Service, and all service as Director, Chaplain Service, shall be creditable as service in the former position."

PHYSICIANS, DENTISTS, AND NURSES

SEC. 802. Section 4107 of such title 38 relating to the minimum and maximum rates of annual salary of certain physicians, dentists, and nurses of the Department of Medicine and Surgery of the Veterans' Administration is amended to read as follows:

"§ *4107. Grades and pay scales*

"(a)(1) Effective on the first day of the first pay period beginning on or after the date of enactment of the Federal Salary Reform Act of 1962, the grades and per annum full-pay ranges for positions provided in paragraph (1) of section 4104 of this title shall be as follows:

"PHYSICIAN AND DENTIST SCHEDULE

"Director grade, $16,000 minimum to $19,000 maximum.

"Executive grade, $15,250 minimum to $18,750 maximum.

"Chief grade, $14,565 minimum to $18,405 maximum.

"Senior grade, $12,845 minimum to $16,245 maximum.

"Intermediate grade, $11,150 minimum to $14,070 maximum.

"Full grade, $9,475 minimum to $11,995 maximum.

"Associate grade, $8,045 minimum to $10,165 maximum.

"NURSE SCHEDULE

"Assistant Director grade, $12,845 minimum to $16,245 maximum.

"Chief grade, $11,150 minimum to $14,070 maximum.

"Senior grade, $9,475 minimum to $11,995 maximum.

"Intermediate grade, $8,045 minimum to $10,165 maximum.

"Full grade, $6,675 minimum to $8,700 maximum.

"Associate grade, $5,820 minimum to $7,575 maximum.

"Junior grade, $5,035 minimum to $6,565 maximum.

"(2) Effective on the first day of the first pay period beginning on or after January 1, 1964, the per annum full pay ranges for positions provided in paragraph (1) of section 4104 of this title shall be as follows:

"PHYSICIAN AND DENTIST SCHEDULE

"Chief grade, $15,665 minimum to $19,785 maximum.

"Senior grade, $13,615 minimum to $17,215 maximum.

"Intermediate grade, $11,725 minimum to $14,805 maximum.

"Full grade, $9,980 minimum to $12,620 maximum.

"Associate grade, $8,410 minimum to $10,650 maximum.

"NURSE SCHEDULE

"Assistant director grade, $13,615 minimum to $17,215 maximum.

"Chief grade, $11,725 minimum to $14,805 maximum.

"Senior grade, $9,980 minimum to $12,620 maximum.

"Intermediate grade, $8,410 minimum to $10,650 maximum.

"Full grade, $7,030 minimum to $9,100 maximum.

"Associate grade, $6,090 minimum to $7,890 maximum.

"Junior grade, $5,235 minimum to $6,810 maximum.

"(b) No person may hold the director grade unless he is serving as a director of a hospital, domiciliary, center, or outpatient clinic (independent). No person may hold the executive grade unless he holds the position of chief of staff at a hospital, center, or outpatient clinic (independent), or the position of clinic director at an outpatient clinic, or comparable position."

SEC. 803. (a) Section 4108 of such title 38 which formerly prescribed the maximum amount of pay and allowances for medical, surgical, or dental specialists of the Department of Medicine and Surgery of the Veterans' Adminis-

tration is amended, effective on the date of enactment of this Act, to read as follows:

"§ *4108. Administration*

"Notwithstanding any law, Executive order, or regulation, the Administrator shall prescribe by regulation the hours and conditions of employment and leaves of absence of physicians, dentists, and nurses.".

(b) The table of contents of chapter 73 of such title 38 is amended by striking out

"4108. Specialist ratings."

and inserting in lieu thereof

"4108. Administration."

DIRECTORS OF HOSPITALS, DOMICILIARIES, AND CENTERS

SEC. 804. Section 4111(b) of such title 38, relating to the annual salary of certain individuals serving as director of a hospital, domiciliary, or center, is amended, effective on the date of enactment of this Act, to read as follows:

"(b) Notwithstanding any other provision of law, the per annum salary rate of each individual serving as a director of a hospital, domiciliary, or center who is not a physician in the medical service shall not be less than the rate of salary which he would receive under section 4107 of this title if his service as a director of a hospital, domiciliary, or center had been service as a physician in the director

grade. This subsection shall not affect the allocation of any position of director of a hospital, domiciliary, or center to any grade of the General Schedule of the Classification Act of 1949, except with respect to changes in rate of salary pursuant to the preceding sentence, and shall not affect the applicability of the Performance Rating Act of 1950 to any individual."

SEC. 805. Except as otherwise expressly provided in this title, this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

TITLE V—FOREIGN SERVICE ACT OF 1946

SHORT TITLE

SEC. 901. This title may be cited as the "Foreign Service Salary Reform Act of 1962".

FOREIGN SERVICE OFFICERS

SEC. 902. The fourth sentence of section 412 of the Foreign Service Act of 1946, as amended (22 U.S.C. 867), is amended to read as follows:

"On the first day of the first pay period which begins on or after the date of enactment of the Foreign Service Salary

Reform Act of 1962, the per annum salaries of Foreign Service officers within each of the other classes shall be as follows:

"Class 1	$18,975	$19,650					
Class 2	16,900	16,400	$16,900	$17,400	$17,900	$18,400	$18,900
Class 3	13,440	13,885	14,330	14,775	15,220	15,665	16,110
Class 4	11,150	11,515	11,880	12,245	12,610	12,975	13,340
Class 5	9,315	9,620	9,925	10,230	10,535	10,840	11,145
Class 6	7,795	7,960	8,215	8,470	8,725	8,980	9,235
Class 7	6,475	6,690	6,905	7,120	7,335	7,550	7,765
Class 8	5,540	5,725	5,910	6,095	6,280	6,465	6,650

"On the first day of the first pay period which begins on or after January 1, 1964, the per annum salaries of Foreign Service officers within each of the other classes shall be as follows:

"Class 1	$18,975	$19,650					
Class 2	16,900	16,400	$16,900	$17,400	$17,900	$18,400	$18,900
Class 3	14,265	14,735	15,205	15,675	16,145	16,615	17,085
Class 4	11,725	12,110	12,495	12,880	13,265	13,650	14,035
Class 5	9,695	10,015	10,335	10,655	10,975	11,295	11,615
Class 6	8,090	8,355	8,620	8,885	9,150	9,415	9,680
Class 7	6,810	7,035	7,260	7,485	7,710	7,935	8,160
Class 8	5,795	5,990	6,185	6,380	6,575	6,770	6,965"

FOREIGN SERVICE STAFF OFFICERS AND EMPLOYEES

SEC. 903. Section 415 of such Act is amended to read as follows:

"SEC. 415. (a) Effective on the first day of the first pay period which begins on or after the date of enactment of the Foreign Service Salary Reform Act of 1962, there shall be ten classes of Foreign Service staff officers and employees,

referred to hereafter as staff officers and employees, and the per annum salaries of staff officers and employees within each class shall be as follows:

"Class 1	$13,440	$13,885	$14,330	$14,775	$15,220	$15,665	$16,110	$16,555	$17,000	
Class 2	11,150	11,515	11,880	12,245	12,610	12,975	13,340	13,705	14,070	
Class 3	9,315	9,620	9,925	10,230	10,535	10,840	11,145	11,450	11,755	
Class 4	7,705	7,960	8,215	8,470	8,725	8,980	9,235	9,490	9,745	
Class 5	6,910	7,140	7,370	7,600	7,830	8,060	8,290	8,520	8,750	$8,980
Class 6	6,225	6,435	6,645	6,855	7,065	7,275	7,485	7,695	7,905	8,115
Class 7	5,610	5,800	5,990	6,180	6,370	6,560	6,750	6,940	7,130	7,320
Class 8	5,060	5,230	5,400	5,570	5,740	5,910	6,080	6,250	6,420	6,590
Class 9	4,575	4,725	4,875	5,025	5,175	5,325	5,475	5,625	5,775	5,930
Class 10	4,110	4,250	4,390	4,530	4,670	4,825	4,980	5,135	5,290	5,445

"On the first day of the first pay period which begins on or after January 1, 1964, the per annum salaries of staff officers and employees within each class shall be as follows:

"Class 1	$14,265	$14,735	$15,205	$15,675	$16,145	$16,615	$17,085	$17,555	$18,025	
Class 2	11,725	12,110	12,495	12,880	13,265	13,650	14,035	14,420	14,805	
Class 3	9,695	10,015	10,335	10,655	10,975	11,295	11,615	11,935	12,255	
Class 4	8,090	8,355	8,620	8,885	9,150	9,415	9,680	9,945	10,210	
Class 5	7,295	7,535	7,775	8,015	8,255	8,495	8,735	8,975	9,215	$9,455
Class 6	6,570	6,785	7,000	7,215	7,430	7,645	7,860	8,075	8,290	8,505
Class 7	5,890	6,085	6,280	6,475	6,670	6,865	7,060	7,255	7,450	7,645
Class 8	5,270	5,445	5,620	5,795	5,970	6,145	6,320	6,495	6,670	6,845
Class 9	4,715	4,870	5,025	5,180	5,335	5,490	5,645	5,800	5,955	6,110
Class 10	4,215	4,355	4,495	4,635	4,775	4,915	5,060	5,215	5,370	5,525

"(b) Notwithstanding the provisions of subsection (a) of this section, the Secretary may, under such regulations as he may prescribe, classify positions at levels below class 10, and establish salary rates therefor at lower rates than those prescribed by this section, for American employees recruited abroad who are not available or are not qualified for transfer to another post and who perform duties of a more routine nature than are generally performed at the class 10 level."

CONVERSION

SEC. 904. Foreign Service officers, Reserve officers, and Foreign Service staff officers and employees who are entitled to receive basic compensation immediately prior to the effective date of this title at one of the rates provided by section 412 or 415 of the Foreign Service Act of 1946, shall receive basic compensation on and after the effective date of this title at the rate of their class determined to be appropriate by the Secretary of State: Provided, That staff officers and employees shall be transferred to the new staff classes established by this Act as follows:

Present class under section 415 of the Foreign Service Act of 1946	*Corresponding new class under section 415 of the Foreign Service Act of 1946, as amended*
FSS– 1	*FSS– 1*
FSS– 2	*FSS– 1*
FSS– 3	*FSS– 2*
FSS– 4	*FSS– 2*
FSS– 5	*FSS– 3*
FSS– 6	*FSS– 3*
FSS– 7	*FSS– 4*
FSS– 8	*FSS– 5*
FSS– 9	*FSS– 6*
FSS–10	*FSS– 7*
FSS–11	*FSS– 8*
FSS–12	*FSS– 9*
FSS–13	*FSS–10*
FSS–14 and below	[1]

[1] *Remain at present class and salary rate until revised pursuant to new section 415(b).*

CONFORMING AMENDMENTS

SEC. 905. The heading of section 642 of the Foreign Service Act of 1946 is amended by deleting the words "and longevity" and section 642 is amended by deleting "(a)" in the first paragraph and by deleting subsection (b) in its entirety.

EFFECTIVE DATE

SEC. 906. Except as otherwise expressly provided in this title, this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

TITLE VI—MISCELLANEOUS SALARY PROVISIONS

REVISION OF SALARY LIMITATIONS FOR CERTAIN SCIENTIFIC AND PROFESSIONAL POSITIONS

SEC. 1001. (a)(1) Section 2(b) of the Act of August 1, 1947 (Public Law 313, Eightieth Congress, as amended (75 Stat. 789; 5 U.S.C. 1161–1163)), relating to the rates of compensation of certain scientific or professional positions, is amended to read as follows:

"(b) The per annum rates of compensation for positions established pursuant to the provisions of this Act shall

not be less than the minimum rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act and shall be subject to the approval of the United States Civil Service Commission.".

(2) The first section of such Act is amended by adding at the end thereof the following new subsection:

"(g) the Librarian of Congress is authorized to establish and fix the compensation for not more than eight scientific or professional positions in the Library of Congress, each such position being established to carry out research and development functions of the Library which require the services of specially qualified personnel. Section 2(a) shall not apply to positions established under this subsection."

(b) Section 1581(b) of title 10 of the United States Code, relating to the rates of compensation of certain scientific or professional positions in the Department of Defense, is amended to read as follows:

"(b) Subject to the Civil Service Commission's approval as to rates, the Secretary may fix the compensation for positions established under subsection (a). However, the per annum compensation may not be less than the minimum rate

of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act.".

(c) Section 4 of the Act of May 29, 1959 (73 Stat. 63; Public Law 86–36), as amended by section 204 of the Act of October 4, 1961 (75 Stat. 791; Public Law 87–367), authorizing scientific and professional positions in the National Security Agency, is amended by striking out ", as amended by paragraph (34)(B) of the first section of the Act of September 2, 1958 (72 Stat. 1456; Public Law 85–861)".

(d) The proviso contained in the first sentence of section 208(g) of the Public Health Service Act, as amended (42 U.S.C. 210(g)), relating to the rates of compensation of certain scientific, professional, and administrative personnel in the Public Health Service, is amended to read as follows: ": Provided, That the rates of compensation for positions established pursuant to the provisions of this subsection shall not be less than the minimum rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act, and shall be subject to the approval of the Civil Service Commission.".

(e) The proviso contained in the second sentence of

section 12 of the Act of May 29, 1884 (62 Stat. 198 as amended and supplemented; 21 U.S.C. 113a), authorizing the Secretary of Agriculture to employ and fix the compensation of technical experts and scientists for research and study of foot-and-mouth disease and other animal diseases, is amended to read as follows: ": Provided, That the number so employed shall not exceed five and that the maximum compensation for each shall not exceed the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended.".

(f) Section 203(b)(2) of the National Aeronautics and Space Act of 1958 (72 Stat. 429; 42 U.S.C. 2473(b)(2)), as amended, authorizing the Administrator of the National Aeronautics and Space Administration to establish and fix the compensation of four hundred and twenty-five scientific, engineering, and administrative positions, is amended by striking out, in the second sentence, ", except that (A) to the extent the Administrator deems such action necessary to the discharge of his responsibilities, he may appoint and fix the compensation (up to a limit of $19,000 a year, or up to a limit of $21,000 a year for a maximum of thirty positions) of" and by inserting in lieu thereof ", except that (A) to the extent the Administrator deems such action necessary to the

discharge of his responsibilities, he may appoint and fix the compensation (at not to exceed the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended, or, for a maximum of thirty positions, not to exceed $21,000 a year) of".

(g) That part of the proviso in section 161d. of the Atomic Energy Act of 1954, as amended (71 Stat. 613; 42 U.S.C. 2201), fixing a limit of $19,000 on the compensation of scientific and technical personnel, is amended by striking out the words "up to a limit of $19,000)" and inserting in lieu thereof "up to a limit of the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended)".

(h) Section 302(f) of the Federal Aviation Act of 1958 (72 Stat. 746; 49 U.S.C. 1343(d)), as amended, authorizing the Administrator of the Federal Aviation Agency to select, employ, and fix the compensation of 23 positions at rates not to exceed $19,500 per annum, is amended by striking out "$19,500 per annum" and inserting in lieu thereof "the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended".

(i) Section 2 of the Act of June 14, 1948, as amended

(62 Stat. 441; 66 Stat. 43; 22 U.S.C. 290a), relating to the compensation of the United States representative and alternate on the Executive Board of the World Health Organization, is amended by striking out "Such representative shall be entitled to receive compensation at a rate not to exceed $12,000 per annum and any such alternate shall be entitled to receive compensation at a rate not to exceed $10,000 per annum", and inserting in lieu thereof "Such representative and any such alternate shall each be entitled to receive compensation at one of the rates provided by section 412 of the Foreign Service Act of 1946, as amended,".

(j) Section 104(b) of the Mutual Educational and Cultural Exchange Act of 1961 (75 Stat. 530; Public Law 87-256) authorizing the fixing of the compensation of not to exceed ten employees without regard to the Classification Act of 1949, is amended to read as follows:

"(b) The President is authorized to employ such other personnel as he deems necessary to carry out the provisions and purposes of this Act, and of such personnel not to exceed ten may be compensated without regard to the provisions of the Classification Act of 1949, as amended, but not in excess of the highest rate of grade 18 of the general schedule established

by such Act. Such positions shall be in addition to the number authorized by section 505 of the Classification Act of 1949, as amended."

(k)(1) Section 625(b) of the Foreign Assistance Act of 1961 (75 Stat. 449; Public Law 87–195), as amended, is amended by striking out "and of these, not to exceed eight may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year" and inserting in lieu thereof "but not in excess of the highest rate of grade 18 of such general schedule".

(2) Section 625(c) of such Act is amended by striking out "and of these, not to exceed three may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year" and inserting in lieu thereof "but not in excess of the highest rate of grade 18 of such general schedule".

(l) Section 7(b) of the Peace Corps Act (75 Stat. 615; Public Law 87–293) is amended by striking out "and of these not to exceed two may be compensated at a rate in excess of the highest rate provided for grades of such general

schedule but not in excess of $19,000 per year" and inserting in lieu thereof "but not in excess of the highest rate of grade 18 of such general schedule".

AGRICULTURAL STABILIZATION AND CONSERVATION COUNTY COMMITTEE EMPLOYEES

SEC. 1002. The rates of compensation of persons employed by the county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) shall be increased by amounts equal, as nearly as may be practicable, to the increases provided by title II of this part for corresponding rates of compensation in the appropriate schedule or scale of pay.

ASSISTANT UNITED STATES ATTORNEYS

SEC. 1003. (a) The last paragraph of section 508 of title 28 of the United States Code is amended to read as follows:

"Assistant United States attorneys and attorneys appointed under section 503 of this title—not more than $17,500."

(b) The rates of basic compensation of assistant United States attorneys whose basic salaries are fixed by section 508

of title 28, United States Code, shall be increased by 7½ per centum effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

EMPLOYEES IN THE JUDICIAL BRANCH

SEC. 1004. (a) The rates of basic compensation of officers and employees in or under the judicial branch of the Government whose rates of compensation are fixed by or pursuant to paragraph (2) of subdivision a of section 62 of the Bankruptcy Act (11 U.S.C. 102(a)(2)), section 3656 of title 18 of the United States Code, the third sentence of section 603, section 604(a)(5), or section 672 to 675, inclusive, of title 28 of the United States Code, or section 107(a)(6) of the Act of July 31, 1956, as amended (5 U.S.C. 2206 (a)(6)), are hereby increased by two amounts, the first amount to be effective for the period beginning as of the first day of the first pay period which begins on or after the date of enactment of this Act, and ending immediately prior to the first day of the first pay period which begins on or after January 1, 1964, and the second amount to be effective on the first day of the first pay period which begins on or after January 1, 1964, and thereafter, which reflect the respective applicable increases provided by title II of this part in cor-

responding rates of compensation for officers and employees subject to the Classification Act of 1949, as amended.

(b) The limitations provided by applicable law on the effective date of this section with respect to the aggregate salaries payable to secretaries and law clerks of circuit and district judges are hereby increased by two amounts, the first amount to be effective for the period beginning as of the first day of the first pay period which begins on or after the date of enactment of this Act, and ending immediately prior to the first day of the first pay period which begins on or after January 1, 1964, and the second amount to be effective on the first day of the first pay period which begins on or after January 1, 1964, and thereafter, which reflect the respective applicable increases provided by title II of this part in corresponding rates of compensation for officers and employees subject to the Classification Act of 1949, as amended.

(c) Section 753(e) of title 28 of the United States Code (relating to the compensation of court reporters for district courts) is amended by striking out the existing salary limitation contained therein and inserting a new limitation to be effective for the period beginning as of the first day of the first pay period which begins on or after the date of enactment

of this Act, and ending immediately prior to the first day of the first pay period which begins on or after January 1, 1964, and a second new limitation effective on the first day of the first pay period which begins on or after January 1, 1964, and thereafter, which reflect the respective applicable increases provided by title II of this part in corresponding rates of compensation for officers and employees subject to the Classification Act of 1949, as amended.

EMPLOYEES IN THE LEGISLATIVE BRANCH

SEC. 1005. (a) Each officer and employee in or under the legislative branch of the Government whose rate of compensation is increased by section 5 of the Federal Employees Pay Act of 1946 shall be paid additional compensation at the rate of 7 per centum of his gross rate of compensation (basic compensation plus additional compensation authorized by law).

(b) The basic compensation of each employee in the office of a Senator is hereby adjusted, effective on the first day of the first pay period which begins on or after the date of enactment of this Act, to the lowest multiple of $60 which will provide a gross rate of compensation not less than the gross rate such employee was receiving immediately prior thereto, except that the foregoing provisions of this subsection shall not

apply in the case of any employee if on or before the fifteenth day following the date of enactment of this Act the Senator by whom such employee is employed notifies the disbursing office of the Senate in writing that he does not wish such provisions to apply to such employee. In any case in which, at the expiration of the time within which a Senator may give notice under this subsection, such Senator is deceased such notice shall be deemed to have been given.

(c) Notwithstanding the provision referred to in subsection (d), the rates of gross compensation of the elected officers of the Senate (except the Presiding Officer of the Senate), the Legislative Counsel of the Senate, the Official Reporters of Debates of the Senate, the Parliamentarian of the Senate, the Senior Counsel in the Office of the Legislative Counsel of the Senate, and the Chief Clerk of the Senate are hereby increased by 7 per centum.

(d) The paragraph imposing limitations on basic and gross compensation of officers and employees of the Senate appearing under the heading "SENATE" in the Legislative Appropriation Act, 1956, as amended (74 Stat. 304; P. L. 86–568), is amended to read as follows:

"No officer or employee whose compensation is disbursed

by the Secretary of the Senate shall be paid basic compensation at a rate in excess of $8,880 per annum, or gross compensation at a rate in excess of $18,880 per annum, unless expressly authorized by law."

(e) The limitation on gross rate per hour per person provided by applicable law on the effective date of this section with respect to the folding of speeches and pamphlets for the Senate is hereby increased by 7 per centum. The amount of such increase shall be computed to the nearest cent, counting one-half cent and over as a whole cent. The provisions of subsection (a) of this section shall not apply to employees whose compensation is subject to such limitation.

(f) Each officer or employee of the House of Representatives, whose compensation is disbursed by the Clerk of the House of Representatives and is not increased automatically, or is not permitted to be increased administratively, by reason of any other provision of this section, shall receive additional compensation at the rate of 7 per centum of the rate of his total annual compensation in effect immediately prior to the effective date of this section.

(g) The limitations on gross rate per thousand and

gross rate per hour per person provided by applicable law on the effective date of this section with respect to the folding of speeches and pamphlets for the House of Representatives are hereby increased by 7 per centum. The amount of each such increase shall be computed to the nearest cent, counting one-half cent and over as a whole cent.

(h) The additional compensation provided by this section shall be considered a part of basic compensation for the purposes of the Civil Service Retirement Act (5 U.S.C. 2251 and the following).

(i) Notwithstanding any other provision of this section, no rate of compensation which exceeds $21,500 shall be increased by this section, and no increase provided by this section shall cause the gross rate of compensation (basic plus additional compensation authorized by law) or the total annual compensation of any officer or employee to exceed $21,500.

SAVING PROVISION

SEC. 1006. Notwithstanding any provision of this Act, no rate of basic, gross, or total annual compensation or salary shall be reduced by reason of the enactment of this Act.

ABSORPTION OF COSTS

SEC. 1007. (a) The departments, agencies, establishments, and corporations in the executive branch shall absorb the costs of the increases in basic compensation provided by this Act to the fullest extent possible without seriously affecting the immediate execution of essential functions.

(b) No request for additional or supplemental appropriations to meet the increases in basic compensation provided by this Act shall be transmitted to the Congress unless it is accompanied by a certification of the Director of the Bureau of the Budget that the amounts requested are necessary to provide for the continued execution of essential functions of the department, agency, or corporation concerned.

(c) Pursuant to the objective of this section, heads of the executive branch activities concerned are directed to review with meticulous care each vacancy resulting from voluntary resignation, retirement, or death and to determine whether the duties of the position can be reassigned to other employees or whether the position can be abolished without seriously affecting the execution of essential functions.

(d) Nothing contained in subsection (a) of this section shall be held or considered to require (1) the separation from the service of any individual by reduction in force or other personnel action or (2) the placing of any individual in a leave-without-pay status.

EFFECTIVE DATE

SEC. 1008. Except as otherwise expressly provided, this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

CEILING PROVISION

SEC. 1009. Except as provided in section 1005, no rate of compensation which exceeds $20,000 per annum shall be increased or established by or pursuant to this Act and no increase made by or pursuant to this Act shall cause any rate of compensation to exceed $20,000 per annum.

PART III—ADJUSTMENT OF ANNUITIES

SEC. 1101. The annuity of each person who, on the effective date of this section, is receiving or entitled to receive an annuity from the civil service retirement and disability fund shall be increased by 5 per centum of the amount of such annuity.

(b) The annuity of each person who receives or is entitled to receive an annuity from the civil service retirement and disability fund commencing during the period which begins on the day following the effective date of this section and ends five years after such date, shall be increased in accordance with the following table:

If the annuity commences between—	*The annuity shall be increased by—*
January 2, 1963, and December 31, 1963	*4 per centum*
January 1, 1964, and December 31, 1964	*3 per centum*
January 1, 1965, and December 31, 1965	*2 per centum*
January 1, 1966, and December 31, 1966	*1 per centum*

(c) In lieu of any other increase provided by this section, the annuity of a survivor of a retired employee or Member of Congress who received an increase under this section shall be increased by a percentage equal to the percentage by which the annuity of such employee or Member was so increased.

(d) No increase provided by this section shall be computed on any additional annuity purchased at retirement by voluntary contributions.

(e) The limitation reading "or (3) the sum necessary to increase such annuity, exclusive of annuity purchased by voluntary contributions under the second paragraph of section 10 of this Act, to $2,160" contained in section 8(c)(1) of the Civil Service Retirement Act of May 29, 1930, as amended by the Acts of July 16, 1952 (66 Stat. 722; Public Law 555, Eighty-second Congress), and August 31, 1954 (68 Stat. 1043; Public Law 747, Eighty-third Congress), shall not be effective on or after the effective date of this section.

(f) The limitation contained in the next to the last sentence of section 8(d)(1) of the Civil Service Retirement Act of May 29, 1930, as amended, as enacted by the Act of August 11, 1955 (69 Stat. 692; Public Law 369, Eighty-

fourth Congress), shall not be effective on and after the effective date of this section.

(g) The increases provided by this section shall take effect on the effective date of this section, except that any increase under subsection (b) or (c) shall take effect on the beginning date of the annuity.

(h) The monthly installment of annuity after adjustment under this section shall be fixed at the nearest dollar.

SEC. 1102. (a) Section 1 of the Civil Service Retirement Act is amended by adding at the end thereof the following new subsection:

"(t) The term 'price index' shall mean the annual average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics."

(b) Such Act is further amended by redesignating section 18 as 19, and by inserting after section 17 the following new section:

"COST-OF-LIVING ADJUSTMENT OF ANNUITIES

"SEC. 18. (a) After January 1, 1964, and after each succeeding January 1, the Commission shall determine the per centum change in the price index from the later of 1962 or the year preceding the most recent cost-of-living adjust-

ment to the latest complete year. On the basis of such Commission determination, the following adjustments shall be made:

"(1) Effective April 1, 1964, if the change in the price index from 1962 to 1963 shall have equaled a rise of at least 3 per centum, each annuity payable from the fund which has a commencing date earlier than January 2, 1963, shall be increased by the per centum rise in the price index adjusted to the nearest one-tenth of 1 per centum.

"(2) Effective April 1 of any year other than 1964 after the price index change shall have equaled a rise of at least 3 per centum, each annuity payable from the fund which has a commencing date earlier than January 2 of the preceding year shall be increased by the per centum rise in the price index adjusted to the nearest one-tenth of 1 per centum.

"(b) Eligibility for an annuity increase under this section shall be governed by the commencing date of each annuity payable from the fund as of the effective date of an increase, except as follows:

"(1) Effective from the date of the first increase under this section, an annuity payable from the fund to

an annuitant's survivor (other than a child entitled under section 10(d)), which annuity commenced the day after the annuitant's death, shall be increased as provided in subsection (a)(1) or (a)(2) if the commencing date of annuity to the annuitant was earlier than January 2 of the year preceding the first increase.

"(2) Effective from its commencing date, an annuity payable from the fund to an annuitant's survivor (other than a child entitled under section 10(d)), which annuity commences the day after the annuitant's death and after the effective date of the first increase under this section, shall be increased by the total per centum increase the annuitant was receiving under this section at death.

"(3) For purposes of computing an annuity which commences after the effective date of the first increase under this section to a child under section 10(d), the items $600, $720, $1,800, and $2,160 appearing in section 10(d) shall be increased by the total per centum increase allowed and in force under this section, and, in case of a deceased annuitant, the items 40 per centum and 50 per centum appearing in section 10(d) shall be increased by the total per centum increase allowed and in force under this section to the annuitant at death.

Effective from the date of the first increase under this section, the provisions of this paragraph shall apply as if such first increase were in effect with respect to computation of a child's annuity under section 10(d) which commenced between January 2 of the year preceding the first increase and the effective date of the first increase.

"(c) No increase in annuity provided by this section shall be computed on any additional annuity purchased at retirement by voluntary contributions.

"(d) The monthly installment of annuity after adjustment under this section shall be fixed at the nearest dollar."

SEC. 1103. (a) Section 9(g) of the Civil Service Retirement Act is amended to read as follows:

"(g) The annuity as hereinbefore provided (excluding any increase because of retirement under section 7) for any married employee or Member retiring under this Act, or any portion of such annuity designated in writing for purposes of section 10(a)(1), shall be reduced by 2½ per centum of so much thereof as does not exceed $3,600 and by 10 per centum of so much thereof as exceeds $3,600, unless the employee or Member notifies the Commission in writing at the time of retirement that he does not desire his wife or husband to receive an annuity as provided in section 10(a)(1)."

(b) Section 10(a)(1) of such Act is amended to read as follows:

"(1) If an employee or Member dies after having retired under any provision of this Act and is survived by a wife or husband to whom the employee or Member was married at the time of retirement, such wife or husband shall be paid an annuity equal to 55 per centum of an annuity computed as provided in subsections (a), (b), (c), (d), (e), and (f) of section 9, as may apply with respect to the annuitant, or of such portion thereof as may have been designated in writing for such purpose by the employee or Member at the time of retirement, unless the employee or Member has notified the Commission in writing at the time of retirement that he does not desire his wife or husband to receive such annuity."

(c) Section 10(b) of such Act is amended by striking out "50 per centum" and inserting in lieu thereof "55 per centum".

(d) Section 10(c) of such Act is amended by striking out "50 per centum" and inserting in lieu thereof "55 per centum".

(e) Section 10(e) of such Act is amended by striking out "50 per centum" and inserting in lieu thereof "55 per centum".

(f)(A) Section 1(j) of the Civil Service Retirement Act is amended by substituting a comma for the period at the end thereof and adding the following: "or such unmarried child

between eighteen and twenty-one years of age who is a student regularly pursuing a full-time course of study or training in residence in a high school, trade school, technical or vocational institute, junior college, college, university, or comparable recognized educational institution. A child whose twenty-first birthday occurs prior to July 1 or after August 31 of any calendar year, and while he is regularly pursuing such a course of study or training, shall be deemed for the purposes of this paragraph and section 10(d) to have attained the age of twenty-one on the first day of July following such birthday. A child who is a student shall not be deemed to have ceased to be a student during any interim between school years if the interim does not exceed four months and if he shows to the satisfaction of the Commission that he has a bona fide intention of continuing to pursue a course of study or training in the same or different school during the school semester (or other period into which the school year is divided) immediately following the interim."

(B) The third sentence of section 10(d) of the Act is amended to read as follows: "The child's annuity shall commence on the day after the employee or Member dies, and such annuity granted under this Act or under the Act of May 29, 1930, as amended from and after February 28, 1948, or any right thereto shall terminate on the last day of the month before (1) his attaining age eighteen unless incap-

able of self-support, (2) his becoming capable of self-support after age eighteen, (3) his marriage, or (4) his death, except that the annuity of a child who is a student as described in section 1(j) shall terminate on the last day of the month before (1) his marriage, (2) his death, (3) his ceasing to be such a student, or (4) his attaining age twenty-one."

(C) Notwithstanding any other provision of law, the benefits resulting from enactment of this amendment shall be paid from the civil service retirement and disability fund.

SEC. 1104. Notwithstanding any other provision of law, the benefits made payable under the Civil Service Retirement Act by reason of the enactment of this part shall be paid from the civil service retirement and disability fund.

SEC. 1105. Section 1101 of this part shall take effect on January 1, 1963. The amendments made by section 1103 shall not apply in the case of employees or Members retired or otherwise separated prior to the date of enactment of this Act, and the rights of such persons and their survivors shall

continue in the same manner and to the same extent as if these amendments had not been enacted.

Passed the House of Representatives January 24, 1962.

Attest: RALPH R. ROBERTS,
Clerk.

Passed the Senate with an amendment September 27, 1962.

Attest: FELTON M. JOHNSTON,
Secretary.

87TH CONGRESS
2D SESSION

H. R. 7927

AN ACT

To adjust postal rates, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 27, 1962

Ordered to be printed with the amendment of the Senate

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued Oct. 1, 1962
For actions of Sept. 28 and 29, 1962
87th-2d, Nos. 176 and 177

CONTENTS

Adjournment.....8,33
Appropriations..... 1,9
..10,13,17,24,25,26,27,41
ASC committees.....3
Budgeting.....14
CCC feed.....38
Drugs.....18
Education.....29,39
Electrification.....21
Farm labor.....7
Farm program.....4,11,34
Food for peace.....36
Foreign aid.....9,23,24,27
Forestry.....12
Household effects.....15
Legislative program...7,24
Livestock feed.....38
Lumber industry.....35
Minerals.....16,31
Pay increase.....2
Peace Corps.....22
Personnel.....2,7,15,30
Public works.....10,25,37
Reclamation.....20,40
Research.....12
Roads.....24
School lunch.....5
Surplus property.....32
Taxation.....7,24
Trade fairs.....7
Transportation.....6,30
Trailers.....15,30
Vehicles.....14
Water pollution.....28
Wheat.....7
Wilderness.....19

HIGHLIGHTS: Sept. 28: Both Houses passed appropriations continuation resolution. Rep. Jones, Mo., criticized absence of Republican member from House Agriculture meeting. Rep. Gross objected to sending pay bill to conference. Rep. King, Utah, commended ASC committees. Rep. Springer criticized farm bill. Senate committee reported: Foreign aid appropriation bill. Public works appropriation bill. Senate passed bills: For program of agricultural land development in Alaska. To assist States in forest research. Sen. Humphrey defended wilderness bill as passed by Senate. Senate subcommittee approved State-Justice-Commerce appropriation bill. Sept. 29: Senate debated public works appropriation bill.

HOUSE - Sept. 28

1. APPROPRIATIONS. Both Houses passed without amendment H. J. Res. 897, making continuing appropriations for the fiscal year 1963 to those departments and agencies whose annual appropriation bills have not yet been enacted.. This measure will now be sent to the President. pp. 19991-2, 19997

   Rep. Cannon inserted a table of appropriation bills, 87th Congress, 2nd session, as of Sept. 28, 1962. pp. 19988-9

2. PAY BILL. Rep. Gross objected to a request to send H. R. 7927, the postal increase and pay increase bill, to conference. p. 19985

3. ASC COMMITTEES. Rep. King, Utah, commended the ASC committeemen saying, "I would like to pay tribute to these men who have so unselfishly devoted of their time to develop and guide these farm programs in the interest of farm and nonfarm people alike." p. 19990

4. FARM PROGRAM. Rep. Springer criticized the farm bill saying, "The Kennedy-Freeman-Cochrane farm bill was the worst blow to the Midwest corn farmer since World War II." p. 19990

Rep. Jones, Mo., criticized Republican members of the Agriculture Committee for failure to provide a quorum for the transaction of committee business on Fri., Sept. 28. pp. 19993-4

5. SCHOOL LUNCH. The Judiciary Committee reported without amendment S. J. Res. 211, providing for the establishment of an annual National School Lunch Week (H.Rept. 2496). p. 19995

6. RAILWAY STRIKE. Rep. Nelsen criticized the Chicago & North Western strike and said "the lack of transportation is working a hardship on the agricultural economy of the entire area." pp. 19994-5

7. LEGISLATIVE PROGRAM. Rep. Albert announced that the Consent Calendar will be called on Mon., Oct. 1, followed by the following suspensions: resolution to send H. R. 7927, the postal increase and pay increase bill, to conference; H. R. 5698, to extend the apportionment requirement in the Civil Service Act to temporary summer employment; S. 3389, to promote commerce through trade fairs; H. R. 12968, to amend section 901(b) of the Merchant Marine Act to eliminate time limitations; and H. R. 13241, to amend Sec. 309 of the Food and Agriculture Act of 1962 re 15-acre wheat exemption. On Tues. the Private Calendar; the conference report on H. R. 10650, the proposed Revenue Act of 1962; the Third Supplemental Appropriation Bill for 1963; and S. 1123, to amend the Fair Labor Standards Act of 1938 with respect to the exemption of agricultural employees from the child labor provisions of such Act, will be considered. pp. 19992-3

8. ADJOURNED until Mon., Oct. 1. p. 19995

SENATE - Sept. 28

9. FOREIGN AID APPROPRIATION BILL, 1963. The Appropriations Committee reported with amendments this bill, H. R. 13175 (S. Rept. 2177). p. 19996

10. PUBLIC WORKS APPROPRIATION BILL, 1963. The Appropriations Committee reported with amendments this bill, H. R. 12900 (S. Rept. 2178). p. 19997

11. FARM PROGRAM. Passed with an amendment S. 2805, to authorize the Secretary of Agriculture to formulate and carry out a land development program under which payments or grants may be made to agricultural producers in Alaska for carrying out specified farmland development measures, including clearing, draining, shaping, and otherwise conditioning land for the production of crops or for pasture. Authorizes the appropriation of a maximum of $1,250,000 for the entire program, excluding administrative costs, but not to exceed $125,000 in any one program year. (pp. 20013, 20017-8) Agreed to an amendment by Sen. Bartlett to provide that a grant to any single producer shall not exceed one-fifth of the total funds appropriated for the program for the year in which the grant is made. (p. 20017)

12. FORESTRY. Reconsidered the vote by which H. R. 12688, to authorize the Secretary of Agriculture to encourage and assist the States in carrying on a program of

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 87th CONGRESS, SECOND SESSION

Vol. 108 WASHINGTON, FRIDAY, SEPTEMBER 28, 1962 No. 176

House of Representatives

The House met at 12 o'clock noon.

Dr. Preston Bradley, pastor, People's Church, Chicago, Ill., offered the following prayer:

Infinite and Eternal Father, we are grateful that in a world bewitched by hatred, tortured by religious and racial animosities, there is this deliberative assembly trying to give proper evaluation and perspective to the great problems of our time.

We ask Thy blessing upon it and upon every Member of this House. May we ever be sensitive to the responsibilities which are upon us in this fragile hour in the history of the world.

We are grateful most of all for the opportunity which is presented to us in this greatest and most important parliamentary body of the world. We must stand for that which is honorable and right and just. May we respect each other's loyalties and find a great common denominator upon which we can build and find our way back again to dignity, to greatness, and to peace.

In the spirit of love we pray, and for love's dear sake. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills, joint resolutions, and a concurrent resolution of the House of the following titles:

H.R. 310. An act to amend title 10, United States Code, to authorize the Secretary of Defense, the Secretaries of the military departments, and the Secretary of the Treasury to settle certain claims for damage to, or loss of, property, or personal injury or death, not cognizable under any other law;

H.R. 2952. An act to direct the Secretary of the Interior to convey certain public lands in the State of California to the city of Needles;

H.R. 5423. An act to amend title 10, United States Code, to authorize the Secretary of the Navy to take possession of the naval oil shale reserves, and for other purposes;

H.R. 11887. An act to provide for the conveyance of all right, title, and interest of the United States reserved or retained in certain lands heretofore conveyed to the city of El Paso, Tex.;

H.J. Res. 659. Joint resolution granting consent of the Congress to a compact entered into between the State of Maryland and the Commonwealth of Virginia for the creation of the Potomac River compact of 1958;

H.J. Res. 693. Joint resolution granting the consent and approval of Congress for the State of Maryland, the Commonwealth of Virginia, and the District of Columbia to amend the Washington metropolitan area transit regulation compact, and for other purposes; and

H. Con. Res. 569. Concurrent resolution authorizing the Clerk of the House to make a correction in the enrollment of H.R. 10.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 8556. An act to amend the National Science Foundation Act of 1950 to require certain additional information to be filed by an applicant for a scholarship or fellowship, and for other purposes; and

H.R. 11793. An act to provide criminal penalties for trafficking in phonograph records bearing forged or counterfeit labels.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2683. An act for the relief of Laszlo Janos Buchwald;

S. 2928. An act for the relief of Seymour K. Owens;

S. 3453. An act for the relief of Dr. Felix Nabor Sabates; and

S. 3600. An act for the relief of Chao Hua-Hsin.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 919. An act to amend section 9(b) of the act entitled "An act to prevent pernicious political activities" (the Hatch Political Activities Act) to eliminate the requirement that the Civil Service Commission impose no penalty less than 90 days' suspension for any violation of section 9 of the act.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 10) entitled "An act to encourage the establishment of voluntary pension plans by self-employed individuals."

POSTAGE REVISION ACT OF 1962

Mr. MURRAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7927) to adjust postal rates and for other purposes, together with the Senate amendment thereto, disagree to the Senate amendment and request a conference with the Senate thereon.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. HECHLER. Mr. Speaker, reserving the right to object, I am sure the gentleman from Tennessee appreciates the strong feelings of the House in respect to the 3½-cent rate on circulars for third-class matter which was voted by the House in January. I shall not object, but I am sure the gentleman appreciates the strong feeling in the House on that aspect of the bill. The people of the country are up in arms against the junk mail which crams their mailboxes, and they resent the fact that the Federal Government subsidizes this form of advertising through absurdly low third-class rates. I withdraw my reservation, Mr. Speaker.

The SPEAKER. Is there objection?

Mr. GROSS. Mr. Speaker, reserving the right to object, and I do so initially for the purpose of raising a point of order, the point of order being that H.R. 7927 contains a pay increase bill which has never been considered by the House of Representatives, involving some $1 billion.

Mr. Speaker, I invoke rule XX which provides as follows, paragraph 1:

Any amendment of the Senate to any House bill shall be subject to the point of order that it shall first be considered in

the Committee of the Whole House on the State of the Union if, originating in the House, it would be subject to that point of order.

Mr. Speaker, this rule was adopted in 1880 to prevent a practice by which Senate amendments of the class described had escaped consideration in the Committee of the Whole.

Mr. Speaker, a Senate amendment which is a modification merely of a House proposition like the increase or decrease of the amount of an appropriation, and does not involve new and distinct expenditures, is not required to be considered by the Committee of the Whole. But where the question was raised against the Senate amendment, which on its face apparently placed a charge upon the Treasury, the Speaker held it devolved upon those opposing the point of order to cite proof to the contrary.

Mr. Speaker, I further call attention to rule XXIII, paragraph 3, entitled "Bills Required To Be Considered in Committee of the Whole." Rule XXIII, paragraph 3, provides:

All motions or propositions involving a tax or charge upon the people, all proceedings touching appropriations of money, or bills making appropriations of money or property, or requiring such appropriation to be made, or authorizing payments out of appropriations already made, or releasing any liability to the United States for money or property, or referring any claim to the Court of Claims, shall be first considered in a Committee of the Whole, and a point of order under this rule shall be good at any time before the consideration of a bill has commenced.

Mr. Speaker, I submit that the regular prescribed order under the rules is for the Speaker to refer such propositions as H.R. 7927 to the standing committee having jurisdiction.

The SPEAKER. The Chair will state that the rules mentioned by the gentleman from Iowa are not involved at the present time. The matter before the House is the unanimous-consent request to send a bill to conference. The unanimous-consent request, if granted, would waive all rules mentioned by the gentleman from Iowa.

Is there objection to the request of the gentleman from Tennessee?

Mr. GROSS. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

TRIBUTE TO DR. PRESTON BRADLEY

(Mr. O'HARA of Illinois asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'HARA of Illinois. Mr. Speaker, something unusual happened in Chicago and in Illinois a week ago today. By proclamation of Mayor Richard J. Daley, September 21 was made Preston Bradley Day in Chicago. By proclamation of Gov. Otto Kerner, September 21 was made Preston Bradley Day in Illinois. That evening 500 leaders in every activity of a great city and a great State met together in tribute and in honor to the Reverend Dr. Preston Bradley. Today we have with us, by invitation of our next Speaker and our beloved Chaplain, Preston Bradley, as Chaplain for a day of the House of Representatives of the Congress of the United States.

Preston Bradley came to Chicago from his native Michigan and in 1912 began preaching independently on the north side of Chicago. I think there were not more than 40 or 50 in his flock. At the end of his first year of ministry some of us, not members of his flock but who were close to him in association at the Press Club in Chicago, joined in sponsoring a little dinner there in his honor. Henry Horner, later Governor of Illinois, Frank Comerford, later a judge in our courts, and I were of that number. That little dinner was 49 years ago. I thought back to it last week when in Chicago and Illinois the day was being proclaimed as Preston Bradley Day and in the evening there was held in celebration of 50 years of a remarkable ministry, one of Chicago's largest banquets.

The little church that Preston Bradley started in 1912 now is housed in a building costing close to $1 million and with a membership running into the thousands. The voice of Preston Bradley for many years has gone into the homes of Chicago and of Illinois over the radio and TV. No man has ever made a larger, more penetrating spiritual impress upon a community, a city, and a State.

For all my colleagues in this historic body, I extend to Preston Bradley an expression of our appreciation of him and our every good wish for every good fortune in the years of fruitful service ahead.

DR. PRESTON BRADLEY

(Mr. MURPHY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MURPHY. Mr. Speaker, I rise today to join with my colleague, the distinguished gentleman from Illinois [Mr. O'HARA], to pay my respects to a great American; namely, Dr. Preston Bradley, of the People's Church of Chicago. I have been a personal friend of Dr. Bradley for a period of 30 years and am thoroughly aware of his many accomplishments in behalf of the city of Chicago.

In my 24 years as a member of the City Council of Chicago it has been my privilege to be associated with him in many programs for the welfare and betterment of the city of Chicago, such as juvenile delinquency, redevelopment, and housing. He was not only a great spiritual leader and civic leader but was admired by many people interested in athletics as was indicated by a well-known organization known as the Old Timers, which held an annual dinner at the Conrad-Hilton Hotel to pay respect to outstanding athletes in the field of professional baseball, football, and basketball by being the annual principal speaker for a period of 20 consecutive years.

Mr. Speaker, I want to congratulate Dr. Preston Bradley on 50 years of spiritual guidance to the people of the city of Chicago, and his great contribution to the civic accomplishments in behalf of the city of Chicago.

I pray to God that He will allow Dr. Bradley carry on his great work for many years.

DR. PRESTON BRADLEY

(Mr. FINNEGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FINNEGAN. Mr. Speaker, I want to join my good friends, the gentlemen from Illinois, BARRETT O'HARA and BILL MURPHY, in extending greetings of the day to Dr. Bradley. I am fortunate in the fact that Dr. Bradley is a member of the political organization of which I am a member in the city of Chicago, that he is a resident and has his church in the middle of my present district and in the new district as it will be in the fall.

I have always known Dr. Bradley as a leader of youth and a spiritual leader on the North Side of Chicago. He has been admired by everyone over the years.

I remember him in an early day when he was ready and willing at all times to proceed on any civic question, to take the platform for it, and he has been doing it as of the latest date.

Mr. Speaker, I congratulate Dr. Bradley on reaching his 50th year in the ministry. I wish I had been able to be present when they celebrated Dr. Bradley Day in Chicago on September 21.

THE LORD'S LIGHT SHINES THROUGH THE WORDS OF DR. PRESTON BRADLEY

(Mr. LIBONATI asked and was given permission to extend his remarks at this point.)

Mr. LIBONATI. Mr. Speaker, the Members of the House had the honor and privilege of hearing in prayer one of the Lord's most profound ministers of divinity whose dedication in life is to advance humanitarian causes. The People's Church in Chicago is the house of refuge for believers in the redemption of the human race through prayer and the realistic practice of the doctrine of faith, hope, and charity in everyday life.

Dr. Preston Bradley personifies the spirit of benevolence that imbued the Good Samaritan—human frailties shall be measured in the spirit of human kindness and overcome by the virtues of love, to instill confidence and interest and to give courage and hope.

As a churchman and orator, Dr. Preston Bradley has enjoyed international renown. The city of Chicago is the proud recipient of his great work for good. Its people are proud of his works both in the pulpit and in his authorship on public questions that affect the morality and civic responsibility of the citizenry.

The members of the Chicago delegation of the Congress are especially proud of Dr. Preston Bradley's contribution to the good name of Chicago in his many travels to foreign shores and the British Isles. It was a signal honor and memorable event to participate with him in the opening prayer this morning—the

11. CENSUS REPORTS. The Post Office and Civil Service Committee reported with amendment S. 3631, to preserve the confidential nature of copies of reports filed with the Bureau of the Census on a confidential basis (S. Rept. 2218). p. 20245

12. BUDGETING. Passed without amendment H. R. 10613, to repeal subsection (d) of Sec. 16 of the Administrative Expenses Act of 1946 which requires detailed budget estimates for appropriations to be used for purchase or hire of passenger motor vehicles or for purchase, maintenance, or operation of aircraft. This bill will now be sent to the President. p. 20249

13. LATIN AMERICA. Sen. Morse inserted an address by the president of the Inter-American Development Bank, "Latin America: Economic Integration and Political Reintegration," pp. 20330-3

HOUSE

14. WHEAT. By a vote of 255 to 60, passed under suspension of the rules H.R. 13241, to amend Sec. 309 of the Food and Agriculture Act of 1962 to provide that a farm marketing quota on the 1963 crop shall be applicable to any farm on which acreage of wheat exceeds the smaller of 15 acres or highest number of acres planted to wheat on the farm in calendar years 1959, 1960, 1961 or 1963 (instead of 1959, 1960, or 1961)(pp. 20403-10). The Agriculture Committee earlier reported this bill without amendment (H. Rept. 2497)(p. 20443).

The Agriculture Committee reported with amendment H. R. 13188, to amend the 1963 wheat provisions of the Food and Agriculture Act of 1962 to permit the Secretary of Agriculture to make adjustments in yields of wheat to reflect any increases in yields as the result of the adoption of the improvement of an irrigation system. (The adjusted yields can be used in determining diversion payments of the first 20% reduction in wheat acreage and in determining the normal production of the 1963 acreage for purposes of price support payments.) (H. Rept. 2505). p. 20443

15. FARM PROGRAM. Rep. Cooley inserted a descriptive summary of the Food and Agriculture Act of 1962. pp. 20410-2

Rep. Hoeven criticized the farm legislation enacted during the 87th Congress and said, "The only thing that this administration offers is controls and more controls." pp. 20439-41

16. ANIMAL DISEASE. Passed without amendment S. 3120, to grant the Secretary of Agriculture additional authority to permit the interstate movement of certain diseased livestock and poultry. This bill will now be sent to the President. p. 20352

17. RICE. Passed without amendment S. 3152, to provide for the nutritional enrichment and sanitary packaging of rice prior to its distribution under certain Federal programs, including the national school lunch program. This bill will now be sent to the President. p. 20352

18. LANDS. Passed without amendment H. R. 11111, to amend the Act of October 4, 1961, authorizing the Secretary of Agriculture to sell and convey certain forest lands in Iowa so as to provide that such sale shall be subject to the condition that the property be used for public purposes. p. 20352

19. CROP INSURANCE. At the request of Rep. Abernethy, passed over without prejudice S. 2859, to amend the Federal Crop Insurance Act, as amended, in order to

increase from 100 to 150 the number of new counties in which crop insurance may be offered each year. p. 20352

20. SCHOOL LUNCH. House and Senate conferees were appointed on H. R. 11665, to revise the formula for apportioning cash assistance funds among the States under the National School Lunch Act. pp. 20349, 20299

Passed without amendment S. J. Re. 211, providing for the establishment of an annual National School Lunch Week. This bill will now be sent to the President. p. 20350

21. APPROPRIATIONS. The Appropriations Committee reported H. R. 13290, making supplemental appropriations for 1963 (H. Rept. 2507)(p. 20443). Permission was granted to bring this bill up any time on Wednesday or thereafter. p. 20345

Conferees were appointed on H. R. 12276, the District of Columbia appropriation bill for 1963. Senate conferees have already been appointed. p. 20345

22. MINERALS. Concurred in the Senate amendment to H. R. 11049, to provide for the relief of certain oil and gas lessees under the Mineral Leasing Act. This bill will now be sent to the President. p. 20349

23. CENSUS. Passed without amendment H R. 11950, to provide for taking of the economic census one year earlier starting in 1968. p. 20351

The Rules Committee reported a rule for the consideration of H. R. 10569, to amend title 13, U.S.C., to preserve the confidential nature of copies of information filed with the Bureau of the Census on a confidential basis. pp. 20396, 20443

24. PERSONNEL. Passed without amendment S. Con. Res. 53, favoring travel by legislative and Government employees on U. S. air flag carriers. p. 20351

By a vote of 309 to 19, passed under suspension of the rules H. R. 5698, to extend the apportionment requirement in the Civil Service Act of January 16, 1883, to temporary summer employment. pp. 20376-96

25. QUARANTINE. Passed without amendment H. R. 683, to authorize the Donna-Rio Bravo Bridge Company to construct, maintain, and operate a toll bridge across the Rio Grande near Donna, Texas. p. 20351

26. MIGRATORY BIRDS. Passed with amendment S. 3504, to authorize the appropriation of $7500 for expenses of the Migratory Bird Conservation Commission. p.20353

27. PAY BILL. By a vote of 327 to 22, passed under suspension of the rules a resolution sending H. R. 7927, the postal increase and pay bill, to conference, House and Senate conferees were appointed. pp. 20365-72, 20292

28. FISHERIES. Passed without amendment S. 3431, to consent to the amendment of the Pacific Marine Fisheries Compact and to participation of certain additional States in such compact. This bill will now be sent to the President. pp. 20353-4

Agreed to the conference report on S. 901, the proposed Oceanographic Act of 1962. pp. 20412-3

The Merchant Marine and Fisheries Committee reported with amendment H.R. 9547, to amend the Fish and Wildlife Act of 1956 with regard to the import for sale within the U. S. of salmon taken on the high seas of the North Pacific Ocean (H. Rept. 2498). p. 20443

87TH CONGRESS
2D SESSION

H. RES. 818

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 1, 1962

Mr. MURRAY submitted the following resolution; which was considered and agreed to

RESOLUTION

Resolved, That immediately upon the adoption of this resolution the bill H.R. 7927, with the Senate amendment thereto, be, and the same hereby is, taken from the Speaker's table, to the end that the Senate amendment be, and the same hereby is, disagreed to and a conference is requested with the Senate upon the disagreeing votes of the two Houses thereon.

V

87TH CONGRESS
2D SESSION

H. RES. 818

RESOLUTION

Relating to the bill H.R. 7927, the House disagreement to the Senate amendments thereto, and a request for a conference on the disagreeing votes of the two Houses thereon.

By Mr. MURRAY

OCTOBER 1, 1962
Considered and agreed to

Constitution. That was their prime purpose.

I submit that we would be making a tragic mistake if, in this critical hour in our international affairs, we should tie President Kennedy's hands or tie any President's hands by these limitations.

I stood on this floor and argued for Dwight Eisenhower time after time with respect to aid to Poland and aid to Yugoslavia. And that was not popular. It is not popular now. I think I was right then, and I think President Eisenhower was right then, and I think Foster Dulles was right then.

I argue now for the President of the United States to be given at least the same authority under conditions which are no less grave than they were then.

What does the amendment provide? It states the policy of Congress. It says to the President and to the Secretary, "Look, stop this business of aid to these countries which assist in any way this Cuban regime of Mr. Castro and his kind. That country has been taken over, for all practical purposes now, by the Communists."

It also says to the President, "If, perchance, you feel it is in the national interest or important for our national security that you must make some exceptions"——

The PRESIDING OFFICER. The time yielded by the Senator from Minnesota has expired.

Mr. HUMPHREY. Mr. President, I yield myself 2 more minutes.

The PRESIDING OFFICER. The Senator may proceed for 2 additional minutes.

Mr. HUMPHREY. The amendment says to the President, "If you feel there should be some exception, then you will report to the Congress of the United States, through its appropriate committees."

We are asked to change that so that the report will be made public.

We are laying down the mandate. The President knows the views of this Congress. The Secretary of State is negotiating every hour of the day to do something about this problem. As was said earlier today, we have allies, rather than satellites.

I do not like to provide aid to dictators, but I remember the time when the question of aid for Spain came up, and I voted for it. The first time it came before the Senate I did not vote for it, and I was wrong. The second time it came up, I voted for it. I will tell Senators why. It was because I thought it was important to the security of this country that we have bases in Spain. I still do. I will support that aid.

I think one must sometimes put bigger issues ahead of what seem to be immediate concerns.

If the Senate strikes the committee proposal language from the bill, then the language will not be in conference and there will be nothing we can do about it. For all practical purposes, we then will have said to the President of the United States, "Scrap your allies. Scrap your alliances. Get in trouble not only with Cuba but also with every friend this country has."

We are making progress under existing diplomacy. I think that what the Congress is now seeking to tell the President is, "Mr. President, press your case with respect to cutting off these shipments."

The senior Senator from Minnesota stood on the floor of the Senate as one of the first to raise the issue. I have raised this issue again and again, even with the Secretary of State, as I did earlier today when I attended the breakfast meeting. I told the State Department representatives I did not think they were active enough, that something more needed to be done, that we needed a stronger policy. But I would not put such a provision in the law as would shackle the President of the United States.

I submit that we should give our President the opportunity to be the chief spokesman of our foreign affairs. Let us give him the opportunity to be Commander in Chief. But if we desire to take over those duties, let us say so. Then God bless America when and if the Legislative body starts to become the diplomatic body, the foreign policy body, of our country.

I yield back the remainder of my time.

Mr. BUSH. Mr. President, will the Chair state the question so that Senators will understand what they are voting on?

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY. If it is the desire of the Senate, and Senators individually, to support the language which was prepared and adopted by the Committee on Appropriations, the vote should be "yea."

The PRESIDING OFFICER. The Senator is correct.

Mr. HUMPHREY. If it is the desire of the Senate to repudiate the Committee on Appropriations and support the language of the House of Representatives, the vote should be "nay."

The PRESIDING OFFICER. The Senator is correct.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

The PRESIDING OFFICER. The amendment before the Senate will be stated.

The LEGISLATIVE CLERK. On page 7, beginning with line 3, it is proposed to strike the language down to and including line 23 on page 7.

Beginning with page 7, line 24, insert the language down to and including line 6 on page 9.

The PRESIDING OFFICER. The question is on agreeing to the amendment stated. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD (when his name was called). Mr. President, on this vote I have a pair with the Senator from Arkansas [Mr. MCCLELLAN]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I therefore withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. CLARK], the Senator from Illinois [Mr. DOUGLAS], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Alabama [Mr. HILL], the Senator from Ohio [Mr. LAUSCHE], the Senator from Washington [Mr. MAGNUSON], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Oklahoma [Mr. MONRONEY], and the Senator from Oregon [Mrs. NEUBERGER] are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Alaska [Mr. GRUENING], and the Senator from Wyomng [Mr. HICKEY] are necessarily absent.

I further announce that, if present and voting, the Senator from Alabama [Mr. HILL] would vote "yea."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Utah [Mr. BENNETT]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from Utah would vote "nay."

On this vote, the Senator from Pennsylvania [Mr. CLARK] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from Pennsylvania would vote "yea," and the Senator from Indiana would vote "nay."

On this vote, the Senator from Illinois [Mr. DOUGLAS] is paired with the Senator from Kentucky [Mr. MORTON]. If present and voting, the Senator from Illinois would vote "yea," and the Senator from Kentucky would vote "nay."

On this vote, the Senator from Tennessee [Mr. GORE] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from Tennessee would vote "yea," and the Senator from Alaska would vote "nay."

On this vote, the Senator from Oregon [Mrs. NEUBERGER] is paired with the Senator from South Dakota [Mr. BOTTUM]. If present and voting, the Senator from Oregon would vote "yea," and the Senator from South Dakota would vote "nay."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Indiana [Mr. CAPEHART], the Senator from New Hampshire [Mr. COTTON], the Senator from Illinois [Mr. DIRKSEN], the Senator from Maryland [Mr. BUTLER], the Senator from Kentucky [Mr. MORTON], the Senator from Vermont [Mr. PROUTY], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Texas [Mr. TOWERS], are necessarily absent.

If present and voting, the Senator from Maryland [Mr. BUTLER], the Senator from Vermont [Mr. PROUTY], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Texas [Mr. TOWER] would each vote "nay."

On this vote, the Senator from Utah [Mr. BENNETT] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If

present and voting, the Senator from Utah would vote "nay," and the Senator from New Mexico would vote "yea."

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Pennsylvania [Mr. CLARK]. If present and voting, the Senator from Indiana would vote "nay," and the Senator from Pennsylvania would vote "yea."

On this vote, the Senator from Kentucky [Mr. MORTON] is paired with the Senator from Illinois [Mr. DOUGLAS]. If present and voting, the Senator from Kentucky would vote "nay," and the Senator from Illinois would vote "yea."

On this vote, the Senator from South Dakota [Mr. BOTTUM] is paired with the Senator from Oregon [Mrs. NEUBERGER]. If present and voting, the Senator from South Dakota would vote "nay," and the Senator from Oregon would vote "yea."

The result was announced—yeas 39, nays 36, as follows:

[No. 294 Leg.]

YEAS—39

Aiken	Hart	Metcalf
Bartlett	Hartke	Moss
Beall	Hayden	Muskie
Boggs	Holland	Pastore
Burdick	Humphrey	Pearson
Bush	Jackson	Pell
Byrd, W. Va.	Javits	Randolph
Carlson	Keating	Saltonstall
Carroll	Kefauver	Smith, Mass.
Case	Long, Hawaii	Sparkman
Church	McCarthy	Wiley
Cooper	McGee	Williams, N.J.
Engle	McNamara	Yarborough

NAYS—36

Allott	Hruska	Proxmire
Bible	Johnston	Robertson
Byrd, Va.	Jordan, N.C.	Russell
Cannon	Jordan, Idaho	Smathers
Curtis	Kerr	Smith, Maine
Dodd	Kuchel	Stennis
Eastland	Long, Mo.	Symington
Ellender	Long, La.	Talmadge
Ervin	Miller	Thurmond
Fong	Morse	Williams, Del.
Goldwater	Mundt	Young, N. Dak.
Hickenlooper	Murphy	Young, Ohio

NOT VOTING—25

Anderson	Douglas	McClellan
Bennett	Fulbright	Monroney
Bottum	Gore	Morton
Butler	Gruening	Neuberger
Capehart	Hickey	Prouty
Chavez	Hill	Scott
Clark	Lausche	Tower
Cotton	Magnuson	
Dirksen	Mansfield	

So the committee amendment, as stated, was agreed to.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 7927) to adjust postal rates, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MURRAY, Mr. MORRISON, and Mr. CORBETT were appointed managers on the part of the House at the conference.

POSTAL SERVICE AND FEDERAL EMPLOYEE SALARY ACT OF 1962

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 7927) to adjust postal rates, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. JOHNSTON. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. JOHNSTON, Mr. MONRONEY, and Mr. CARLSON conferees on the part of the Senate.

A REPORT ON SOUTH VIETNAM

Mr. JACKSON. Mr. President, Hon. Roger Hilsman made what I consider a most significant and helpful speech on South Vietnam and problems of guerrilla warfare, at the American Hospital Association Meeting, Chicago, Ill., on September 18.

Mr. Hilsman speaks with authority from first-hand experience with the art of guerrilla warfare in the Far East in World War II and as the able and vigorous Director of Intelligence and Research in the Department of State.

I recommend his speech for wide reading and serious consideration as an outstanding statement of the problems we confront in South Vietnam and of the programs being fashioned to meet them.

I ask unanimous consent that the text of his speech be printed at this point in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

A REPORT ON SOUTH VIETNAM

(Remarks by Hon. Roger Hilsman, director of intelligence and research, Department of State, at the American Hospital Association meeting, Chicago, Ill., September 18, 1962)

In the period when Mr. Acheson was Secretary of State and General Marshall was Secretary of Defense, it is said that the two men had a special understanding.

Whenever anyone said, "This is a purely military problem," or "This is a purely political or diplomatic problem," then whoever said it had to leave the room.

In South Vietnam we are confronted with an extraordinary example of the way military decision and action are interdependent with many other decisions and enterprises. The war there is a guerrilla war and the successful means of countering guerrilla war are as much political as military, for the long-run task is nation building.

This guerrilla war is a form of hidden Communist aggression, an internal war, if you will. As President Kennedy has said, "their aggression is more often concealed than open. They have fired no missiles; and their troops are seldom seen. They send arms, agitators, aid, technicians and propaganda to every troubled area. But where fighting is required, it is usually done by others—by guerrillas striking at night, by assassins striking alone—assassins who have taken the live of 4,000 civil officers in the last 12 months in Vietnam alone—by subversives and saboteurs and insurrectionists, who in some cases control whole areas inside of independent nations."

This war in the shadows may well be one of the most decisive battles of our time. My subject is a report on one of these shadow wars, the one in South Vietnam, and I would like to start by giving you my outline; there is a guerrilla war in South Vietnam, so I would like, first, to say something about guerrilla warfare in general—the conditions in which it arises and a strategic concept for fighting against it. Second, I would like to tell you how these ideas are being applied in South Vietnam. And, finally, I'd like to give you a report on how things are going there in South Vietnam.

There is something about guerrilla warfare which gives rise to legends. It is part of the operation, in fact, to see that the enemy is full of rumors which keep him in the dark as to facts.

But in appraising the uses of guerrilla tactics we should certainly try to separate legends from realities.

So it seems useful to begin with the elementary observation that guerrilla warfare is possible only in two very special sets of circumstances:

The first is, when the main body of the enemy is otherwise engaged. When France was occupied by the Germans in World War II, virtually the entire population hated the Nazis. There was a well-organized and supplied guerrilla movement—the Maquis. But so long as the German armies had nothing else to do, the French guerrillas could not be effective. There were many individual acts of sabotage and violence, but not much else. At any time that a small guerrilla band attacked, the Germans could counter with overwhelming force.

But after D-day, when the German divisions were fully engaged in fighting the Allies, the Maquis became a formidable and effective force.

The second set of circumstances is now the more usual setting for guerrillas when they operate in the emerging, still developing countries of the world. In much of the world today, the different communities that make up what we think of as nation-states are isolated from the central government—isolated by lack of communications or by the terrain, as in mountains, islands, or the desert, but more importantly isolated in a psychological and political sense.

The basic situation in many underdeveloped areas is that the villages are turned inward on themselves. The people are living there as they have for hundreds of years, with few ties to their government. They appear rarely to have strong political convictions one way or another. In my personal experience in southeast Asia during World War II where a few of us in the OSS were sent behind the enemy lines to organize bands of guerrillas against the Japanese, it seemed to us that perhaps 10 percent of the people had some sympathies for our side and perhaps 10 percent had some sympathies for the Japanese. But 80 percent of the populace did not have much awareness of the struggle being fought out in their country. Much less did they have ideological convictions. Even with white faces we recruited a guerrilla force that was larger in numbers than the Communist guerrilla force in South Vietnam today.

My point is that in these underdeveloped, but at the same time ancient cultures, the villagers are isolated from each other and from the central government in a way that we in the West are not equipped by our experience to understand. The villagers are turned inward on themselves and identify not with the nation but often only with their family, clan, and village.

Let me illustrate my point.

Recently some friends of mine made a tour of the border areas of such a country. They visited 40 villages. In 10 of these vil-

tory, possession, the District of Columbia, or the Commonwealth of Puerto Rico and another State, Territory, possession, the District of Columbia, or the Commonwealth of Puerto Rico.

(2) The term "motor vehicle" means any other vehicle or machine propelled or drawn by mechanical power and used on the highways principally in the transportation of passengers.

(3) The term "seat belt" means any strap, webbing, or similar device designed to secure a passenger in a motor vehicle in order to mitigate the results of any accident, including all necessary buckles, and other fasteners, and all hardware designed for installing such seat belt in a motor vehicle.

SEC. 4. This Act shall take effect on the date of its enactment except that section 2 shall take effect on such date as the Secretary of Commerce shall determine but such date shall be not less than one hundred and eighty days nor more than one year after the date of publication of standards first established under the first section of this Act. If such standards first established are thereafter changed, such standards as so changed shall take effect on such date as the Secretary of Commerce shall determine but such date shall be not less than one hundred and eighty days nor more than one year after the date of their publication in accordance with the provisions of the first section of this Act.

With the following committee amendment:

Page 1, line 4, after the word "Register", insert "minimum".

The committee amendment was agreed to.

(Mr. ROBERTS of Alabama asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. ROBERTS of Alabama. Mr. Speaker, H.R. 134 is a safety measure which will reduce the highway accident death toll. This is accomplished by establishing Federal safety standards for automobile seat belts manufactured for sale or offered for sale in interstate commerce.

The standards would be established by the Secretary of Commerce.

Enactment of the bill is favored by the Department of Commerce and the Department of Health, Education, and Welfare. The Bureau of the Budget has no objection to enactment of the legislation. Hearings were held by the Subcommittee on Health and Safety, August 17, 1962, and have been printed.

In recent years, due to educational campaigns carried on by the American Medical Association, the National Safety Council, the U.S. Public Health Service, the Advertising Council, the General Federation of Women's Clubs, the automobile manufacturers, other national groups, and many local organizations such as chambers of commerce, there has been a phenomenal increase in the sale and use of seat belts.

Safety experts are greatly pleased with this. But one development has cast a shadow on the program.

Automobile seat belts of inferior quality and design have been placed on the market in response to the growing public interest in automotive safety devices. There is no way to determine exactly how many substandard seat belts are now being used by unsuspecting motorists, but the number will increase unless, and until, there is some means to establish adequate standards, such as provided in this bill.

It would appear both desirable and necessary to protect the public from inferior and unsafe seat belts placed on the market by some manufacturers and dealers who are more concerned with profit than with the public safety. The vast majority of seat belt manufacturers are maintaining high standards of quality. Unfortunately, however, a newly created public demand for a product often results in the marketing of substandard equipment.

The States have traditionally exercised regulatory authority of motor vehicle safety features, and there may be some question as to the entry of the Federal Government into the field of the automotive safety standards.

However, as the President pointed out in his March 15, 1962, message on consumer protection and interest program, consumers have a right to be protected against the marketing of goods which are hazardous to health or life. The President made clear that the Federal Government has a responsibility to consumers in the exercise of this right and that additional legislation would be required in some fields for the Federal Government to meet such responsibilities.

Federal standards have been established in other areas of public safety. The Federal Aviation Agency has promulgated standards governing certain aircraft equipment. In the trucking field certain technical requirements have been established by the Interstate Commerce Commission.

H.R. 134 provides for similar action by the Department of Commerce on seat belt standards.

The Secretary should have no difficulty in complying with the provisions of this legislation. Standards have been established by the Society of Automotive Engineers and by the General Services Administration.

The Committee on Interstate and Foreign Commerce believes that enactment of H.R. 134 would be in the public interest. Its purpose is to assure purchasers of seat belts sold or offered for sale in interstate commerce that the belts conform to reasonable safety standards designed to make them adequate for the purpose for which they are intended.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

POSTAL SERVICE AND FEDERAL EMPLOYEES SALARY ACT OF 1962

Mr. MURRAY. Mr. Speaker, I move to suspend the rules and agree to House Resolution 818.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution the bill H.R. 7927, with the Senate amendment thereto, be, and the same hereby is, taken from the Speaker's table, to the end that the Senate amendment be, and the same hereby is, disagreed to and a conference is requested with the Senate upon the disagreeing votes of the two Houses thereon.

The SPEAKER. Is a second demanded?

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GROSS. At what point, if any, would a point of order to invoke rule XX be in order in the consideration of this bill? Would it be in order now, or if the motion to suspend the rules is adopted, would it be in order then?

The SPEAKER. In response to the inquiry of the gentleman from Iowa, the Chair will say that it is not in order on a motion to suspend the rules. If the rules are suspended, the point of order then is too late.

Is a second demanded?

Mr. GROSS. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. MURRAY. Mr. Speaker, last January 24 the House passed by a strong voice vote H.R. 7927, to place in effect long overdue postal rate adjustments necessary to wipe out the $800 million postal deficit.

The House-passed bill would increase postal revenues by $691 million in first-, second-, and third-class mail. Most of the remaining deficit is due to losses in fourth-class, or parcel post mailings and the Postmaster General is required by law to petition the Interstate Commerce Commission for rate adjustments in that class sufficient to place it on a pay-as-you-go basis, with only 4 percent variation permitted.

The other body has amended H.R. 7927 and made three major changes in the House bill.

The first such change is in postage rates for second-class commercial publications and in the minimum per piece rate for third-class advertising bulk mailings.

CALL OF THE HOUSE

Mr. JOHANSEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore (Mr. ALBERT). Evidently a quorum is not present.

Mr. BONNER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 254]

Alexander	Burke, Ky.	Griffin
Anfuso	Carey	Hall
Arends	Celler	Hansen
Aspinall	Daddario	Harris
Bass, N.H.	Diggs	Harvey, Ind.
Belcher	Dominick	Hébert
Bell	Dooley	Hiestand
Bennett, Mich.	Evins	Hoffman, Ill.
Berry	Farbstein	Hoffman, Mich.
Betts	Feighan	Hull
Blitch	Frazier	Ichord, Mo.
Bolling	Garland	Inouye
Boykin	Glenn	Johnson, Wis.
Brewster	Goodell	Jones, Ala.
Brooks, Tex.	Gray	Kearns

Kee	Moorehead, Ohio	Sibal
Keith	Mosher	Sikes
Kilburn	Nedzi	Siler
Kitchin	O'Brien, Ill.	Taylor
McDonough	Osmers	Thompson, N.J.
McDowell	Powell	Tollefson
McIntire	Pucinski	Tupper
McSween	Rains	Utt
McVey	Reifel	Van Pelt
Macdonald	Rousselot	Van Zandt
Magnuson	Saund	Vinson
Martin, Nebr.	Scherer	Watts
Merrow	Scranton	Weis
Michel	Seely-Brown	Whalley
Miller, Clem	Sheppard	Wickersham
Miller, George P.	Shipley	Willis
Monagan	Short	Yates

The SPEAKER. On this rollcall 336 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

TO AMEND SECTION 502 OF THE MERCHANT MARINE ACT, 1936, AS AMENDED

Mr. BONNER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 11586) to amend section 502 of the Merchant Marine Act, 1936, as amended, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

The Chair hears none, and appoints the following conferees: Messrs. BONNER, DOWNING, CASEY, TOLLEFSON, and PELLY.

POSTAL SERVICE AND FEDERAL EMPLOYEES SALARY ACT OF 1962

The SPEAKER. The Chair recognizes the gentleman from Tennessee [Mr. MURRAY].

Mr. MURRAY. Mr. Speaker, the second such change is the addition of a modified form of the President's official request for reformation of the four major Federal statutory salary systems.

The third such change is the addition of language to liberalize existing civil service retirement annuities and survivor benefits by 5 percent, to provide for future annuity adjustments whenever the consumer price index of the Bureau of Labor statistics has risen by 3 percent or more, and to grant certain other retirement benefits.

As to postal rates, the bill as passed by both Houses increases rates on first-class letters from 4 cents to 5 cents, cards and drop letters from 3 cents to 4 cents, airmail letters from 7 cents to 8 cents, and airmail cards from 5 cents to 6 cents. These adjustments will increase postal revenues by $454 million—approximately 75 percent of the total revenue increase under the Senate bill and 66 percent of the total under the House bill.

The chief differences between the House and Senate postal rate provisions are in regular second-class publications beyond county and in the third-class bulk rate minimum charge per piece.

In second-class mail, the House bill applies to each copy of a regular commercial publication sent beyond county a fixed charge of one-half cent for the first year after enactment and 1 cent thereafter. The Senate amendment strikes this fixed charge and, in lieu thereof, adjusts existing pound zone rates in three annual increments. Editorial matter would receive three successive 4-percent increases, and advertising material would receive three successive increases totaling, for the various zones, from 10 percent to 33⅓ percent in the third year. The House bill would increase second-class postal revenues by a total of $53.4 million, but the Senate amendment would increase such revenues by only $25.1 million, a difference of $28.3 million.

As to third-class mail, the House bill increases the minimum charge per piece on bulk commercial mailings of circulars, books, catalogs, and so forth, from 2½ cents to 3½ cents in one stage. The Senate amendment increases such bulk minimum per piece charge to 2⅝ cents in 1963, to 2¾ cents in 1964, and to 2⅞ cents thereafter. Increased revenue from third-class mail under the House bill would be $161.9 million—most of it imediately available in the first year—while the Senate amendment would increase revenues from third-class mail by only $97.2 million spread over a 3-year period—a difference of $64.7 million when all new rates are in effect.

The House bill makes no increase in rates on either second- or third-class mailings of nonprofit organizations or classroom publications. The Senate amendment increases the pound rate on such publications from 1½ cents to 1.6 cents in 1963, to 1.7 cents in 1964, and to 1.8 cents in 1965. It also requires classroom publications to pay 60 percent of regular commercial rates, in lieu of their existing rates of 1½ cents per pound on editorial matter and zone rates on advertising subject to one-eighth cent minimum per copy.

In view of the material differences between H.R. 7927 as passed by the House and as passed by the Senate, I strongly recommend adoption of the resolution to send this bill to conference.

Mr. GROSS. Mr. Speaker, I yield myself 10 minutes.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Speaker, when the distinguished chairman of the House Post Office and Civil Service Committee, the Honorable TOM MURRAY, sought unanimous consent to take from the Speaker's table H.R. 7927, a bill to adjust postal rates, together with Senate amendments and requested a conference, I objected. This was on the grounds that it would be an irregular and unwise procedure for the House to shirk its responsibility by failing to insist that the Committee of the Whole House consider the far-reaching Senate amendments which were added to the House bill.

This is no ordinary conference that is sought to be made in order through the arbitrary process of suspension of the rules. The Senate-attached amendments deal with subject matter, among other things, involving the spending of more than $2,600 million—subject matter and spending that has had not one moment of consideration in the House of Representatives.

I insist that the motion to suspend the rules be defeated; that this legislation be sent to the Rules Committee and a procedure agreed upon whereby the entire House membership has an opportunity to examine the Senate amendments and take appropriate action in accordance with the dictates of their conscience.

Mr. Speaker, this bill is sent to us on a virtual take-it-or-leave-it basis. I call attention to page 19662 of the CONGRESSIONAL RECORD of September 26, 1962, wherein during debate in the other body, the chairman of the Senate Post Office and Civil Service Committee made the following statement:

> Last year the House Committee on Post Office and Civil Service, after extended public hearings and many executive sessions, reported a reasonably sound bill which would have provided $550 million in additional revenue when fully effective. Due to ill-advised and totally inequitable amendments adopted in an air of utter confusion during the closing moments of the session, the bill referred to the Senate was little less than a chaotic monstrosity. Under these circumstances the Senate Post Office and Civil Service Committee had no alternative but to start afresh on the construction of a sound measure that would at one and the same time produce needed revenues and yet not hamstring the Nation's economy.

Mr. Speaker, it borders on arrogance to describe the House-approved postal rate increase bill as a "chaotic monstrosity," and to imply that Members of the House did not know what they were doing when they passed the postal rate bill in January of this year. I did not support that bill, but I did not then, nor do I now, charge the Democrat leadership of the House or anyone who voted for it with having given birth to a "chaotic monstrosity." I do call your attention to the fact, for whatever it may be worth, that the postal rate bill as approved by the House 9 long months ago was closer to the recommendations of the President than is that portion of the bill which this semigag procedure of rule suspension seeks to send to conference.

I seriously doubt, Mr. Speaker, whether any Member of this body can fully explain what the Senate did to the House-approved postal rate bill, much less the ramifications of the Government-wide pay increases and policies dealing with the so-called pay reform.

There has been little time to analyze the differences that now exist between the House and Senate postal rate bills, but apparently the other body reduced the rate increases which the House had provided for certain categories of mail and in order to make up the loss of this revenue the Senate increased rates for smaller mail users. A notable example of this is the fact that the historical policy with respect to free-in-county mailings for the smaller publications of the Nation was eliminated in the Senate bill. The amount of increase which the other body then imposed on these smaller county newspapers is impossible to determine, and I insist this matter be fully explored before the House takes further action.

Another inconsistency between the House and Senate postal rate bills relates to the increase which the Senate imposed on nonprofit publications, such as religious and veterans' publications. The House had made no change whatever in that category of mail.

I note, too, that the Senate weakened the so-called Cunningham amendment regarding Communist propaganda which is being mailed into the United States from countries behind the Iron Curtain. I recall that the House was almost unanimous in its support of this amendment and I question whether this body is ready to abdicate its responsibility in connection with these provisions and others in this legislation which are being crammed down our throats.

Now with respect to the other provisions of the bill relating to pay for Federal employees and increases in the annuities of retired civil service employees, not one provision of which has had one moment of consideration on the House floor in the 9 months of this session. I say to you that there are hidden provisions which makes it imperative that this bill be considered by the House in Committee of the Whole where a full explanation may be had and amendments offered.

Members will recall the long struggle that has been made in the House to hold down the number of supergrade positions in the Federal service—grades GS–16, GS–17, and GS–18. It is my understanding that the Senate has specifically added 411 supergrades, with salaries ranging from $16,000 to $20,000 per year and further provided, in rather vague and indefinite language, for an unknown additional number. In other words, I doubt seriously if anyone in this body or the other body can tell us accurately whether the Senate added 500, 600, 700, 800, or 1,000 supergrade positions.

Another hidden section in the Senate approved rate bill provides for the addition of 111 positions in the top three postal service levels, PFS–18, PFS–19, and PFS–20, which will pay salaries of between $15,500 and $18,000 annually.

Let me also call attention to the fact that the Senate amendments provide pay increases for all legislative employees, including those of Members of Congress. And if I read the bill correctly, certain employees of the Members of the other body may be paid up to $18,800 per year.

I seriously doubt whether the Members of this body are aware that the Senate amendments provide a change in the Whitten amendment and thus opens the door to an increase in the number of permanent positions in the Government. This is contrary to the will of this body. Time and again the House Appropriations Committee has emphasized the need for retaining the Whitten amendment and the House Members have always concurred in this.

I do not want these remarks to be construed as opposing a pay increase for Federal employees, especially postal workers in the lower levels. I do insist that before the House can vote intelligently on this measure it should be completely explored, analyzed and explained. I reiterate that the amendments by the Senate will provide pay increases costing more than $1 billion, and the increased annuities, also provided by the other body, will add $1,600 million to the liability of the Government employees retirement fund which, as of June 1962, was estimated to be $33,700 million in the red.

Mr. Speaker, more than a conference is needed on this legislation. It requires far more consideration than can be given here today or under the 1 hour allowed for the conference report. I have tried to invoke rule 20 which was designed for the very purpose of sending such legislation as this to the Committee of the Whole wherein Members of the House could learn at least something of the ramifications of what is being proposed and vote with at least some degree of intelligence.

I am reminded by what is now taking place of the action that at the start of the 87th Congress when the Rules Committee was packed for the alleged purpose of giving Members of the House the opportunity to understand and work their free will upon legislation. Do those of you who voted for that proposition mean what you said then by your votes?

Now you are confronted with a motion to suspend the rules, a harsh, abnormal proceeding which permits of no amendments and a total of 40 minutes of debate—a semi-gag rule when applied to legislation of such vital importance.

I earnestly hope that whoever made the decision that the House was either too busy or not competent to act on this legislation under the normal and prescribed procedures will reconsider and permit H.R. 7927, with its many ramifications and hidden provisions, to come before the House in Committee of the Whole.

To end this, I ask you to defeat the motion to suspend the rules.

Mr. MURRAY. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. BROYHILL].

Mr. BROYHILL. Mr. Speaker, I hope that the House will suspend the rules and permit this bill to be sent to conference. Most certainly it is far-reaching legislation, it is complicated legislation, it is controversial legislation. Any measure which provides a $600 million-odd increase in revenue is bound to be controversial; any legislation that provides a $1 billion increase in expenditure is bound to be controversial but I think that the overwhelming majority of us will agree that we must raise postal rates, because the Department has to bear hundreds and hundreds of millions of dollars increased cost in transporting, distributing, and delivering the mails. I think it is altogether fitting and proper that the users of the mails should pay a larger portion of the cost. Certainly it is the best bargain the American people can possibly receive, even with a $600-million increase in rates.

I think we all realize also that we must have some adjustment in the salaries of Federal and postal employees. We must certain help increase and maintain a decent standard of living for the vast majority of our employees, and good management dictates that we see that Federal salaries are competitive with comparable positions in free enterprise. If we ever hope to attract and retain efficient employees, employees who are competitive with those in free enterprise, we have got to recognize that proper salaries must be provided.

The House has already acted on the postal rate legislation. It acted rather affirmatively, and approved it by a rather substantial majority. That is the portion of the bill that is back before us here with a Senate amendment.

I regret that the House has not acted on the salary increase portion of the legislation; however, the Committee on the Post Office and Civil Service did hold extensive hearings on the subject, and we came up with a reasonable compromise bill. It was reported out of the Committee on the Post Office and Civil Service by an overwhelming majority. It is merely due to a parlimentary technicality that the House has not yet had an opportunity to consider the legislation which was reported out by the committee.

The bill for the increase in salaries is similar to the bill our committee overwhelmingly approved. I say quite similar but it does not go quite as far as the majority of our committee would like, but we feel that this should be acceptable, especially when we are confronted with the situation that this is the best we can hope for. So if this bill is taken from the Speaker's table and sent to conference I am sure the conferees will come back with a reasonable compromise, not one that all of us will agree with, but one that the vast majority of us will agree is acceptable under the circumstances at this late stage of the 87th Congress.

I do hope, Mr. Speaker, that the House will overwhelmingly approve suspension of the rules so that this bill can go to conference and we can get some pay adjustment and rate adjustment legislation through before this Congress adjourns.

Mr. BARRY. Mr. Speaker, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from New York.

Mr. BARRY. I would like to ask the gentleman, if when we send this to conference, can the provisions of the House bill with regard to rate structure on postage be insisted upon or do we surrender our right by sending it to conference.

Mr. BROYHILL. I do not know whether I am qualified to answer the question of the gentleman or not. We have a right to insist on the original House position insofar as the rate bill is concerned. Unfortunately, we do not have a House bill pending in the House on pay legislation, and what the Senate has done in that regard would be the ceiling.

Mr. WALLHAUSER. Mr. Speaker, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from New Jersey.

Mr. WALLHAUSER. Does the gentleman believe if we do not suspend the rules we would ever be able to consider any measure in this Congress with reference to rates and pay increases?

Mr. BROYHILL. I am fearful we will not have time. I would rather not take the chance, and I think the overwhelming majority of the people who will be affected by the legislation are willing to go along with this procedure as the best we can possibly hope for at this stage of the session.

Mr. GROSS. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. JOHANSEN].

(Mr. JOHANSEN asked and was given permission to revise and extend his remarks.)

Mr. JOHANSEN. Mr. Speaker, as a matter of self-respect of this House, the pending resolution should be defeated. We are considering this resolution today under the cloud of an accusation—and the accusation was not even factually accurate—that this House "in an air of utter confusion" adopted this legislation at the end of the last session. Of course we adopted the postal legislation in January of this year. We are acting under a cloud of accusation that the legislation produced by this House with respect to postal rates "was little less than a chaotic monstrosity."

I suggest, Mr. Speaker, also as a matter of legislative responsibility, that we should reject this resolution.

As the gentleman from Iowa has so forcefully pointed out, two of the major items in this 3-in-1 deal have not been considered on the floor of the House. I think as a matter of respect for the labors of your Committee on the Post Office and Civil Service, which worked for weeks and weeks in hearings on Federal pay legislation and a lesser time on the matter of retirement pay, and the fruits of all those labors will be brought to you, under a conference report with a limitation of 1 hour of debate. As to the legislative procedure, let me say further that the House is being asked to vote up or down an omnibus bill involving three distinct and separate areas of legislation—Federal pay increases, and within that category are at least four or five separate and distinct pay matters. We are asked to consider an increase in retirement pay. We are asked to consider postal rate legislation as it may be modified in conference.

With respect to the Federal pay and retirement provisions, as I have pointed out, and as the gentleman from Iowa has pointed out, neither of these provisions of the bill has been brought to the floor of this House for thorough debate, and under the conditions we will face if this bill goes to conference, there will be no opportunity for meaningful debate in 1 hour's time.

With respect to the postal rate legislation, I want to be completely frank with the House. I spoke for, I voted for the postal rate bill that was adopted in January. I did so despite some declared misgivings regarding certain provisions of the legislation. But that was before the President of the United States had decided that he could by arbitrary act deny something in the neighborhood of a 5-percent increase in prices of a certain major basic industry of the country.

Mr. Speaker, this legislation with respect to first-class users of the mail alone involves a 25-percent increase and very substantial increases in the price of mail service in the other classes.

Mr. Speaker, I supported the legislation earlier this year, but that was before it became a determined judgment that we needed tax relief in this country. Now we propose to impose additional costs, an increased tax, if you please, upon the American people. A major victim of this increase will be small business itself.

Mr. Speaker, I have always supported the principle that we should be rid of the postal deficit. But I must say in all candor that I lose some zeal for a balanced postal budget in the light of testimony before our committee—and I refer especially to the testimony given by Budget Director Bell—that there are circumstances and that we now exist in a circumstance in which overall deficit financing by the Federal Government is a desirable thing.

Mr. Speaker, in the circumstances I lose some of my concern about closing the gap of this deficit in one segment of the Government. Of course, that brings me to the fact that this omnibus bill involves a $1 billion a year increase in Federal pay. It involves, to be sure, a $603 million increase in revenues under the Senate version. But there is still almost $400 million of additional expense, a good share of which will be added to the national deficit.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. GROSS. Mr. Speaker, I yield 2 additional minutes to the gentleman from Michigan [Mr. JOHANSEN].

Mr. JOHANSEN. Mr. Speaker, as has been pointed out by the gentleman from Iowa [Mr. GROSS] a moment ago, there is an increase in the number of supergrades. The pay bill involves excessive increases at the higher levels of pay. Let the House be on notice that this legislation, if enacted, sets the stage for next year for consideration of an executive pay increase; for further increases in salary for higher levels; for increases in the pay of the judiciary, and for substantial proposed increases in the compensation of Members of Congress.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. JOHANSEN. Yes; I am glad to yield to the gentleman from Iowa.

Mr. GROSS. Is it not true that the House Committee on Post Office and Civil Service passed out a bill on pay increases weeks ago, and does the gentleman know what the gentleman from Virginia [Mr. BROYHILL] was referring to when the gentleman spoke of some technicality that had prevented the House from considering this bill that was voted out so long ago?

Mr. JOHANSEN. It is entirely true that this pay legislation was voted out several weeks ago. The gentleman from Michigan is at a total loss to know what the gentleman from Virginia [Mr. BROYHILL] is talking about with respect to a technicality.

I will say this, however; that I am not willing to see orderly and sound legislative processes frustrated by any technicality, particularly when the technicality is invoked for the very purpose of accomplishing such frustrations.

Mr. GROSS. Is it not true that this bill, if the gentleman will yield further, which suspension of the rules seeks to send to conference, is a bill of 114 pages, and only some 20 of those pages are devoted to the rate increase, while the other 70 to 80 pages of the bill constitute an amendment by the other body which has never been considered in the House of Representatives?

Mr. JOHANSEN. The gentleman is correct with reference to that portion of the bill that is referred to as merely an amended postal rate bill. It is a case of the tail wagging the dog, I will say to the gentleman.

The SPEAKER pro tempore. The time of the gentleman from Michigan has again expired.

Mr. GROSS. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. JOHANSEN. Let me say in conclusion that the story on this legislation, so far as the retirement pay provisions of this bill are concerned, as amended in the Senate, involves, as the gentleman from Iowa has pointed out, an additional commitment of obligation by the Government of the United States of $1.6 billion. And as is so often the case in such matters, there is no offsetting assurance of revenue to meet that obligation.

Mr. MURRAY. Mr. Speaker, I yield 4 minutes to the gentleman from Montana [Mr. OLSEN].

(Mr. OLSEN asked and was given permission to revise and extend his remarks.)

Mr. BARRY. Mr. Speaker, will the gentleman yield?

Mr. OLSEN. I yield to the gentleman from New York.

Mr. BARRY. Mr. Speaker, I would like to ask the gentlemen if the question before the House is to disagree to the Senate amendments and send the bill to conference. Is that the proceeding under which we are now deliberating at this moment?

Mr. OLSEN. That is my understanding.

Mr. BARRY. In effect, when we vote for this measure, we are voting to reject the Senate amendments and send the bill to conference?

Mr. OLSEN. That is my understanding of the resolution.

Mr. BARRY. This would have to do only with the pay rate provisions since the matter of salary has not been before this entire body; is that not correct?

Mr. OLSEN. As I understand, the question that will go to conference to be discussed is the postal rate portion of this bill.

Mr. BARRY. I thank the gentleman.

Mr. OLSEN. Mr. Speaker, I urge support of this resolution. As we send H.R. 7927 to conference the normal procedure, as I understand, is satisfied. The House passes a postal rate bill and it goes to the Senate. The Senate passes a postal rate bill. Then we have a conference on the two bills on the differences involved. I have studied both the Senate and House versions of the rate bill and there is really not much difference between them, but there is enough differ-

ences so that they should go to conference so that the differences can be reconciled.

The third-class rates provided under the Senate bill are about one-eighth of a cent less than the President recommended. They are about five-eighths of a cent less than we provided in the House bill, and about three-eighths of a cent higher than the House Post Office Committee recommended to the House. So there is not much difference in third-class mail to go to conference.

In second-class mail some differences arise. That is where most of the differences are in the bill. This is very normal procedure and I think that the members of our Post Office Committee would say for the most part that there is very little difference between the two bills. So far as objecting to this bill going to conference is concerned, I think anyone who insists upon its not going to conference is really insisting that there be no new pay bill, that there be no new retirement bill and that there be no postal rate adjustment in this session of Congress.

The urgency is that the pay increase for classified and postal employees is more than 18 months late by all of the studies that anyone or any group has made. The pay bill that the Senate passed is less in amount than the bill the House passed. It is much more moderate than the House-passed bill. So I submit that sending this to conference and finally approving the pay bill and the retirement bill of the Senate is a very reasonable thing for this House to do.

Finally I submit the question is as follows—if you are in favor of a pay increase for Federal and postal employees and increased benefits for Federal retirees, this is the only opportunity you will have to provide it. Only those who are against a pay increase for Federal employees or increased benefits for retirees will vote against this resolution.

(Mr. ROGERS of Colorado asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. ROGERS of Colorado. Mr. Speaker, I am pleased to note that the bill provides in section 606(a) for an increase in the ceiling on grades 16, 17, and 18 from the present 1,989 to 2,400. I understand that in its requests for additional authority to allocate these so-called supergrades the Civil Service Commission advised the Senate Post Office and Civil Service Committee that a sufficient number of these grades was required to enable it adequately to reclassify the 324 Federal hearing examiners now holding GS 15 grades to appropriate supergrade levels. Now that provision is being made for this additional authority an important step can be taken by the Civil Service Commission to preserve and promote the best interests of the Federal Government and to relieve the years' long inequity borne by the Government's underpaid hearing examiners.

Section 11 of the Administrative Procedure Act mandates that the Civil Service Commission alone shall prescribe the compensation for the Federal hearing examiners. Because of the ceilings imposed by Congress on the number of allowable grades 16, 17, and 18, the Civil Service Commission has been unable for several years to discharge its statutory mandate by reclassification of any of the hearing examiner positions to the appropriate supergrade level merited by their responsibilities.

The records established before congressional committees and the Civil Service Commission amply sustain the entitlement of these positions to supergrade classifications. The President's message on the regulatory agencies supported by the opinions of distinguished legal authorities, private practitioners and bar associations intimately acquainted with the duties and responsibilities of the hearing examiner function unqualifiedly urge the immediate reclassification of these positions to supergrade levels. Nevertheless, because of the numerical ceilings on supergrades and the necessity of treating hearing examiners performing the same function alike, the Civil Service Commission has been unable to date to upgrade any of the examiners now frozen at the GS–15 level for many years.

This inability has produced the following undesirable results: Hearing examiners of proven ability with years of invaluable Federal experience have been lost to the Government because of the greater monetary attraction of private employment, frequently with the very industries regulated by the Federal agencies by whom these examiners had been employed. For example, hearing examiners formerly employed by the CAB now hold positions as counsel for Trans World Airlines, Continental Airlines, Trans-Texas Airways, and a number of other major air carriers.

At the same time the Federal agencies are severely handicapped in the employment of hearing examiners of superior caliber from the registers established by the Civil Service Commission because of the high percentage of declinations from persons on these registers offered employment at the GS–15 level. For example, recently the National Labor Relations Board sought to fill 10 hearing examiner vacancies from a CSC certificate containing the names of 34 qualified persons. Twenty-two of them, or over 64 percent, stated they were not interested in appointment at Grade GS–15. Similar statistics are available for other agencies.

In addition, serious intra-agency inequities have been created by the advancement of individual attorneys, economic analysts, and administrative personnel to supergrade levels while the examiners, largely because of their numbers, have been bypassed. It is not unusual for GS–16 attorneys and GS–17 economic witnesses to appear before GS–15 examiners in the hearings over which they preside.

The competence and devotion of the Federal hearing examiners are the best guarantees of the effectiveness of the Administrative Procedure Act. I am gratified that the Civil Service Commission by the appropriate reclassification of these hearing examiners under the additional grant of authority of this bill will, in sum, avoid the erosion of highly trained and competent manpower, facilitate the procurement by the Government of the able men needed to perform the exacting judicial functions of the hearing examiner position, and rectify the longstanding inequity borne by the Federal hearing examiners.

Mr. MURRAY. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, 3 minutes is mighty little time to discuss a bill which involves a charge on the Treasury of over a billion dollars a year permanently, from now on out.

I am not going to discuss the merits of the bill, but under the rules of the House any Senate amendment that comes over here that inflicts any charge on the Treasury of the United States is required under rule XX of the House of Representatives to go to the Committee of the Whole, the purpose of that being that the House might consider the bill on its merits and have an opportunity to say its will. By suspension of the rules, this method that is now invoked in this case, the House is deprived of the privilege of ever considering whether this is a good bill or a bad bill. You are establishing a precedent here today that is going to damn you for a long time to come.

I am greatly interested in the rules of this House and the proper procedures of this House. I think this is a terrible thing to do. I know it is going to be done. I know this House is going to vote for it. I know there are a great many Members here who cannot resist any demand that it made upon them by their servants, the civil service employees, the employees of the people of the United States.

What you are doing here today, irrespective of the merits of this bill, is to deprive yourselves and the people you represent from being represented in the expenditure of a billion dollars a year of the money that the taxpayers put up, and you say, "No; we won't consider this bill. We are going to suspend the rules and we are going to turn everything loose here in the last days of the session." If that is the way you think you ought to run this Congress, go ahead and do it, but I will have no part of it.

Mr. GROSS. Mr. Speaker, I yield 1 minute to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Speaker, the question I had in mind has been clarified by the gentleman from Virginia in regard to procedures. It is a complicated procedure. We actually are rejecting the Senate amendment, which is the pay increase bill. In sending this to conference in this manner the House will never have an opportunity to consider the merits of the Senate pay increase bill. I could not agree more with the gentleman from Virginia in his pointing out that procedures are the essence of civil rights. If we do not have regard for our own procedures and the integrity of this House, we might just as well disband this Congress. I think the procedural votes are coming to be meaningful more and more each day as we move

more and more toward government by men and away from government by law.

From the bottom of my heart I would urge everyone to reject this motion to suspend the rules.

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. GROSS. Under the rule providing for suspension of the rules it is unnecessary to alternate as to time; is that not correct?

The SPEAKER pro tempore. The proponents are entitled to close the debate, under the rules.

Mr. GROSS. That is not the rule, is it?

The SPEAKER pro tempore. That is what the Chair has stated the rule to be.

(Mr. HARSHA asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. HARSHA. Mr. Speaker, I find myself in a rather peculiar position because I must say that I concur in the judgment of some of my colleagues who feel that this motion and parliamentary procedure to suspend the rules and circumvent adequate hearings by the appropriate committee is not the way to legislate, particularly, with a measure involving so many billions of dollars and so many lives of Federal employees. I would much prefer that the normal procedures be followed and a proper bill reported to this House after adequate hearings with the opportunity afforded all interested parties to be heard. However, this is not a new procedure and there are many bills that are being offered to this body under the suspension rules procedure, many of which are as equally important as this and many have been denied committee hearings. Yet, this body chooses on various occasions to adopt that procedure so I am in total disagreement with those that will say that this preliminary procedure today will set a precedent.

I think we must be realistic when we look at this procedure. Everyone knows that we are all anxious to return to our districts. Everyone knows that Congress will soon adjourn and unless we adopt this procedure here today all likelihood of obtaining a much needed raise for postal employees and Federal workers will vanish.

We hear impassioned pleas from certain Members of the House about raising the standard of living of people throughout the world, yet, when it comes to raising the standard of living of our own citizens and our Government employees that same impassioned support has been lacking heretofore. These very same people who we were trying to help through foreign aid and other economic dole throughout the world will never come to the assistance and aid of this country in the event she needs it. This is exemplified by the very way that some of our so-called allies who have received billions of dollars in foreign aid over the years, and are still receiving billions of dollars of foreign aid, will not even assist us with the embargo of Cuba but instead choose to say that it is "your problem" and continue to trade with the Communist nations. If this Government can continue to help those kind of allies, certainly this much needed pay raise is little enough to do for its own citizens who will assist this Government and come to its aid in time of need.

Our Government is one of the most important phases of our economy. Because Government does have such a vital effect on our well-being, it should be staffed with the most competent and efficient people possible.

There should be adequate incentives to Government careers to encourage this type of individual to enter Government service. Certainly Government should be able to compete with private enterprise and industry in obtaining competent, efficient and dedicated employees.

In order to do this, Government must be in a position to offer competitive wage scales and other incentives to personnel—competitive that is with and comparable to those offered by industry or private enterprise.

I have long subscribed to the theory that Government employees should be paid on a comparable basis with employees of private enterprise for comparable work.

A survey conducted by the Bureau of Labor Statistics reveals that postal workers are among those wage earners receiving approximately $1,000 less than the established average wage of a family of four.

Under the circumstances, such as these, how can Government compete with private industry in employing able, conscientious employees? The answer is obvious. Certainly the postal service and its employees have built an enviable reputation over the years and I am interested in seeing that record and reputation enhanced. In order to do this we must be able to continue to interest qualified persons in the postal service. They have earned this increase and are justly entitled to it.

Certainly, the other Federal employees are entitled to a reasonable cost-of-living increase and this is all that this bill offers.

Now, Mr. Speaker, as I have indicated, I support this portion of the bill, particularly which grants increases to postal employees and Federal classified employees. I, therefore urge my colleagues to vote in favor of suspending the rules so that the Senate bill may be referred to conference committee and the conflicting portions of the House and Senate bills compromised so that a pay raise can be granted to these employees before Congress adjourns.

But again, as so often happens in legislation, I find some of the bitter mixed in with the sweet and this is true in this instance. As you know, the House of Representatives passed a postal rate bill with an amendment which prohibited the free distribution of Communist propaganda in this country. I was a cosponsor of this amendment, and when the matter was before the House debated in favor of it, and had introduced, previous to that time, a bill prohibiting the free distribution of Communist literature by the Post Office Department to the citizens of the United States. Now the Senate version of the bill has watered down this amendment. The amendment as passed by the Senate puts into effect substantially the same Executive order that had existed throughout the Eisenhower administration—prohibiting the indiscriminate and free distribution of Communist literature in this country. This order was rescinded by President Kennedy allowing tons of subversive matreial to reach all citizens at the expense of the American taxpayer.

Now the Senate bill will again reinstate this Executive order; however, it will allow all Communist literature addressed to any particular individual to be delivered if he so desires and it will continue to deliver such propaganda to universities, Government agencies, libraries, and so forth, all at the expense of the American taxpayer.

Americans throughout the country are calling on Congress to end this subsidy given Communist propaganda. The time for the House of Representatives to act on this serious problem is now and to put an end to this unholy situation. If we are going to ask the American taxpayer to pay higher postal rates how, in good conscience, can we do this and not put a stop to the free delivery and subsidization of this trash? To ask the American taxpayer to pay increased postal rates while at the same time permitting this Red propaganda to be distributed in this country free of charge is sheer hypocrisy.

If the free distribution of this propaganda were stopped, an increase in first-class rates would not be needed. To argue as the Post Office Department does that because we send out more mail than we receive is not a valid reason for continuing to accept Red propaganda. To accept such an argument is tantamount to saying that because we send out larger quantities of perfume we should continue to accept smaller quantities of poisonous gas. So I would urge my colleagues, particularly those members of the conference committee, to insist that the House version, or House amendment to prohibit the free distribution of Communist propaganda, be included in the conference report and here again is another reason for voting to suspend the rules to consider this bill in conference because, if we do not consider this bill in this manner then there will be no valid Executive order or law prohibiting this distribution of Communist mail and it will continue to be delivered to the citizens and youth of this country at the expense of the taxpayer.

Again, Mr. Speaker, I urge my colleagues to vote in the affirmative on this motion.

Mr. MURRAY. Mr. Speaker, I yield the balance of the time to the gentleman from Louisiana [Mr. MORRISON].

(Mr. MORRISON asked and was given permission to revise and extend his remarks.)

Mr. MORRISON. Mr. Speaker and Members of the House, I am sure all of us realize that Congress is not going to be in session very much longer. We all are realists and we all know that unless this suspension of the rules is voted by a two-third vote, the pay legislation for Federal

postal employees and classified employees will be killed and dead for this session. We further know that the legislation for increased rates for postage will also be killed if this bill is not sent to conference. We know it would be impossible to send this bill with the Congress closing in these last remaining few days to the Committee on Rules with the idea of expecting favorable consideration and being returned in time for the consideration of the House under a rule.

I might say, we had a very, very important bill that our committee passed out several weeks ago on retirement. On September 21 I wrote to the chairman of the Committee on Rules and all the members of the Committee on Rules and asked them please to grant us a hearing on this retirement bill that we had passed out of our committee, and up to the present time the Rules Committee has not granted our committee chairman, or myself as vice chairman, an opportunity to be heard on this very important retirement bill.

So it boils down to this, that the House committee has passed out a pay bill providing salary increases for 2½ million Federal employees and so has the Senate.

Mr. BECKER. Mr. Speaker, will the gentleman yield for a brief question?

Mr. MORRISON. I yield.

Mr. BECKER. The gentleman will concede, however, that this obnoxious situation was not created by the Republican side of the aisle but that side of the aisle.

Mr. MORRISON. Well, I will not agree to that. I think that is your opinion, and not mine.

Mr. BECKER. The gentleman's side has control of this and not this side.

Mr. MORRISON. Mr. Speaker, I refuse to yield further because I do not have enough time. But you know as well as I do that if you are in favor of the Federal employees getting a pay raise and if you are in favor of action on the postal rate increase legislation, the thing to do is to vote to suspend the rules and send this bill to conference. That will enable the conferees to work out all differences. All this legislation has been passed by the full committee of the House and has been passed by the full committee of the Senate. If you are against the Federal employees and the postal workers getting a pay raise in this session of the Congress, then you vote against this suspension. If you are in favor of a Federal pay raise for Federal employees, including the postal employees, then you will vote yea to suspend the rules and send this to conference, a procedure which is followed almost every day during the closing days of the session of Congress. There is nothing unusual about this and there is nothing different about it. This is the customary procedure. The time is late, and if you want to send this legislation to conference, then you have to vote for this motion to suspend the rules by a two-thirds vote.

Mr. DANIELS. Mr. Speaker, I hope the House will suspend the rules and send this bill, H.R. 7927, to conference. The House has fully considered the postal rate increase bill and passed it by an overwhelming vote. The Senate also has fully debated the bill and added an amendment relative to pay raises for Federal employees and increased benefits for retirees. The latter amendment does not grant the increases in salaries approved by the House Post Office and Civil Service Committee, but it appears to be a reasonable compromise. I regret that a parliamentary technicality prevents full debate of the salary increases in this House. However, the testimony before the House committee was convincingly clear that a pay raise for postal workers and classified employees was 18 months overdue. The Senate amendment provides increases less than those approved in the House. It appears to me that these Federal employees should not be penalized any longer, and I urge that the rules be suspended and the bill sent to conference.

Mr. JOELSON. Mr. Speaker, I will support the motion to suspend the rules and send the postal bill to conference. I am concerned that legislative maneuvering is being used as an excuse to deny Federal employees the pay increases they so well deserve.

Although I feel the rate increases for second- and third-class mails are inadequate, I will support the total bill if the conference retains the pay increase provisions which I strongly endorse.

Mr. ADDABBO. Mr. Speaker, I believe that the underpaid, dedicated, Federal employees have waited too long for their overdue adjustment of wages.

Though we may not agree fully with the procedures being followed today I believe we must and should take whatever steps needed to expedite this increase of salary and annuities.

Extensive hearings have been held by the Post Office and Civil Service Committee, of which I am a member, which clearly proved that these increases are necessary and long overdue.

Mr. BURKE of Massachusetts. Mr. Speaker, I highly commend the distinguished Speaker of the House for his fine leadership in enacting H.R. 7927 postal and Government employee pay bill.

It was a privilege for me to work for and give my vigorous support to this meritorious bill and I trust our action today will move the measure to early final passage and enactment.

The bill is fair, equitable and helpful to many efficient employees of the Federal Government and its passage will be applauded and approved by the country.

I, therefore, urge that the rules be suspended and the bill be passed so that it may become law before the session ends.

The SPEAKER. The time of the gentleman from Louisiana has expired. All time has expired.

The question is on the motion to suspend the rules and agree to the resolution.

The question was taken.

Mr. JOHANSEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and five Members are present, not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 327, nays 22, not voting 86, as follows:

[Roll No. 255]

YEAS—327

Abernethy	Doyle	Lankford
Adair	Dulski	Latta
Addabbo	Durno	Lennon
Albert	Dwyer	Lesinski
Alford	Edmondson	Libonati
Andersen, Minn.	Elliott	Lindsay
Anderson, Ill.	Ellsworth	Loser
Andrews	Everett	McCulloch
Ashbrook	Fallon	McFall
Ashley	Fascell	McMillan
Ashmore	Fenton	Macdonald
Auchincloss	Findley	MacGregor
Ayres	Finnegan	Mack
Bailey	Fino	Madden
Baker	Flood	Mahon
Baldwin	Flynt	Mailliard
Baring	Fogarty	Marshall
Barrett	Forrester	Martin, Mass.
Barry	Fountain	Mason
Bass, Tenn.	Frelinghuysen	Mathias
Bates	Friedel	Matthews
Battin	Fulton	May
Becker	Gallagher	Meader
Beckworth	Garmatz	Miller, N.Y.
Bennett, Fla.	Gary	Milliken
Boggs	Gavin	Mills
Boland	Giaimo	Minshall
Bolton	Gilbert	Moeller
Bonner	Glenn	Monagan
Bow	Gonzalez	Montoya
Brademas	Goodling	Moore
Bray	Granahan	Moorhead, Pa.
Breeding	Grant	Morgan
Brewster	Green, Oreg.	Morris
Bromwell	Green, Pa.	Morrison
Brooks, Tex.	Griffin	Morse
Broomfield	Griffiths	Moss
Brown	Gubser	Moulder
Broyhill	Hagan, Ga.	Multer
Bruce	Hagen, Calif.	Murphy
Buckley	Haley	Murray
Burke, Mass.	Halleck	Natcher
Byrne, Pa.	Halpern	Nedzi
Byrnes, Wis.	Harding	Nelsen
Cahill	Hardy	Nix
Casey	Harrison, Wyo.	Norblad
Cederberg	Harsha	Norrell
Chamberlain	Harvey, Mich.	Nygaard
Chelf	Hays	O'Brien, N.Y.
Chenoweth	Healey	O'Hara, Ill.
Chiperfield	Hechler	O'Hara, Mich.
Church	Hemphill	O'Konski
Clancy	Henderson	Olsen
Clark	Herlong	O'Neill
Coad	Hoeven	Ostertag
Cohelan	Holifield	Passman
Collier	Holland	Patman
Colmer	Horan	Pelly
Conte	Hosmer	Perkins
Cook	Huddleston	Peterson
Cooley	Jarman	Pfost
Corbett	Jennings	Philbin
Corman	Jensen	Pike
Cramer	Joelson	Pilcher
Cunningham	Johnson, Calif.	Pillion
Curtin	Johnson, Md.	Pirnie
Curtis, Mass.	Jones, Ala.	Poff
Dague	Judd	Powell
Daniels	Karsten	Price
Davis, James C.	Karth	Purcell
Davis, John W.	Kastenmeier	Quie
Davis, Tenn.	Kearns	Randall
Dawson	Kelly	Reece
Delaney	Keogh	Reuss
Dent	King, Calif.	Rhodes, Ariz
Denton	King, N.Y.	Rhodes, Pa.
Derounian	King, Utah	Riehlman
Derwinski	Kirwan	Riley
Devine	Kluczynski	Rivers, Alaska
Dingell	Knox	Rivers, S.C.
Dole	Kornegay	Roberts, Ala.
Donohue	Kowalski	Roberts, Tex.
Dorn	Kunkel	Robison
Dowdy	Laird	Rodino
Downing	Landrum	Rogers, Colo.
	Lane	Rogers, Fla.
	Langen	Rooney

Roosevelt	Slack	Udall, Morris K.
Rosenthal	Smith, Calif.	Ullman
Rostenkowski	Smith, Iowa	Vanik
Roudebush	Smith, Miss.	Van Zandt
Roush	Spence	Waggonner
Rutherford	Springer	Wallhauser
Ryan, Mich.	Stafford	Walter
Ryan, N.Y.	Staggers	Weaver
St. George	Steed	Westland
St. Germain	Stephens	Wharton
Santangelo	Stratton	Whitener
Saylor	Stubblefield	Whitten
Schadeberg	Sullivan	Widnall
Schenck	Teague, Calif.	Williams
Schneebeli	Teague, Tex.	Wilson, Calif.
Schweiker	Thomas	Wilson, Ind.
Schwengel	Thompson, La.	Winstead
Scott	Thompson, N.J.	Wright
Selden	Thompson, Tex.	Young
Shelley	Thomson, Wis.	Younger
Shriver	Thornberry	Zablocki
Sibal	Toll	Zelenko
Sisk	Trimble	

NAYS—22

Abbitt	Ford	Lipscomb
Alger	Gathings	Poage
Avery	Gross	Ray
Beermann	Harrison, Va.	Smith, Va.
Burleson	Johansen	Taber
Cannon	Jonas	Tuck
Curtis, Mo.	Jones, Mo.	
Fisher	Kilgore	

NOT VOTING—86

Alexander	Harris	O'Brien, Ill.
Anfuso	Harvey, Ind.	Osmers
Arends	Hébert	Pucinski
Aspinall	Hiestand	Rains
Bass, N.H.	Hoffman, Ill.	Reifel
Belcher	Hoffman, Mich.	Rogers, Tex.
Bell	Hull	Rousselot
Bennett, Mich.	Ichord, Mo.	Saund
Berry	Inouye	Scherer
Betts	Johnson, Wis.	Scranton
Blatnik	Kee	Seely-Brown
Blitch	Keith	Sheppard
Bolling	Kilburn	Shipley
Boykin	Kitchin	Short
Burke, Ky.	Kyl	Sikes
Carey	McDonough	Siler
Celler	McDowell	Taylor
Daddario	McIntire	Tollefson
Diggs	McSween	Tupper
Dominick	McVey	Utt
Dooley	Magnuson	Van Pelt
Evins	Martin, Nebr.	Vinson
Farbstein	Merrow	Watts
Feighan	Michel	Weis
Frazier	Miller, Clem	Whalley
Garland	Miller, George P.	Wickersham
Goodell	Moorehead, Ohio	Willis
Gray	Mosher	Yates
Hall		
Hansen		

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Arends.
Mr. Daddario with Mr. Reifel.
Mr. Aspinall with Mr. Michel.
Mr. McSween with Mr. Bennett of Michigan.
Mr. Anfuso with Mr. Dominick.
Mr. Alexander with Mr. Osmers.
Mr. Taylor with Mr. Utt.
Mr. Rains with Mr. Siler.
Mr. Willis with Mr. Betts.
Mr. Carey with Mr. Martin of Nebraska.
Mr. Farbstein with Mr. Kilburn.
Mr. Celler with Mrs. Weis.
Mr. Feighan with Mr. Bell.
Mr. Pucinski with Mr. Mosher.
Mr. Rogers of Texas with Mr. Whalley.
Mr. Kitchin with Mr. McIntire.
Mr. Shipley with Mr. Kyl.
Mr. Sikes with Mr. Hall.
Mr. Inouye with Mr. Rousselot.
Mr. Hull with Mr. McDonough.
Mr. Burke of Kentucky with Mr. Harvey of Indiana.
Mr. Gray with Mr. Belcher.
Mr. Magnuson with Mr. Tollefson.
Mr. George P. Miller with Mr. Hiestand.
Mr. Johnson of Wisconsin with Mr. Van Pelt.
Mr. Blatnik with Mr. Berry.
Mr. O'Brien of Illinois with Mr. McVey.
Mr. Evins with Mr. Hoffman of Illinois.
Mr. Ichord of Missouri with Mr. Keith.
Mr. Sheppard with Mr. Scranton.
Mr. Watts with Mr. Goodell.
Mr. Yates with Mr. Moorehead of Ohio.
Mr. McDowell with Mr. Hoffman of Michigan.
Mr. Diggs with Mr. Scherer.
Mr. Clem Miller with Mr. Garland.
Mrs. Hansen with Mr. Tupper.
Mr. Vinson with Mr. Seely-Brown.
Mr. Wickersham with Mr. Dooley.
Mr. Harris with Mr. Merrow.
Mr. Frazier with Mr. Bass of New Hampshire.

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

The SPEAKER. The Chair appoints the following conferees: Messrs. MURRAY, MORRISON, and CORBETT.

Mr. MORRISON. Mr. Speaker, I ask unanimous consent that all Members be permitted to extend their remarks following my remarks on the resolution just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

APPOINTMENT OF CONFEREE

Mr. BONNER. Mr. Speaker, I ask unanimous consent that the gentlemen from Washington [Mr. TOLLEFSON] be excused as a conferee on the bill (H.R. 11586) to amend section 2 of the Merchant Marine Act, 1936, as amended.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The SPEAKER. The Chair appoints the gentleman from California [Mr. MAILLIARD] as a conferee on the bill H.R. 11586, vice the gentleman from Washington [Mr. TOLLEFSON].

CONSERVATION OF TROPICAL TUNA

Mr. SELDEN. Mr. Speaker, I move to suspend the rules and pass the bill (S. 2568) to amend the act of September 7, 1950, to extend the regulatory authority of the Federal and State agencies concerned under the terms of the Convention for the Establishment of an Inter-American Tropical Tuna Commission, signed at Washington May 31, 1949, and for other purposes, with amendments.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatievs of the United States of America in Congress assembled, That section 2 of the Act entitled "Tuna Conventions Act of 1950" (16 U.S.C. 951) is amended by repealing subsection (e) in its entirety and substituting therefor a new subsection (e) as follows:

"(e) 'United States' shall include all areas under the sovereignty of the United States, the Trust Territory of the Pacific Islands, and the Canal Zone."

SEC. 2. Section 6 of the Act entitled "Tuna Conventions Act of 1950" (16 U.S.C. 955) is amended by striking out the phrase "head of the enforcement agency" where it appears once each in subsections (a) and (b) and inserting in lieu thereof in both places the term "Secretary of the Interior," and by adding a new subsection (c) immediately following subsection (b), as follows:

"(c) Regulations required to carry out recommendations of the commission made pursuant to paragraph 5 of article II of the Convention for the Establishment of an Inter-American Tropical Tuna Commission shall be promulgated as hereinafter provided by the Secretary of the Interior upon approval of such recommendations by the Secretary of State and the Secretary of the Interior. The Secretary of the Interior shall cause to be published in the Federal Register a general notice of proposed rulemaking and shall afford interested persons an opportunity to participate in the rulemaking through (1) submission of written data, views, or arguments, and (2) oral presentation at a public hearing. Such regulations shall be published in the Federal Register and shall be accompanied by a statement of the considerations involved in the issuance of the regulations. After publication in the Federal Register such regulations shall be applicable to all vessels and persons subject to the jurisdiction of the United States on such date as the Secretary of the Interior shall prescribe, but in no event prior to an agreed date for the application by all countries whose vessels engage in fishing for species covered by the convention in the regulatory area on a meaningful scale, in terms of effect upon the success of the conservation program, of effective measures for the implementation of the commission's recommendations applicable to all vessels and persons subject to their respective jurisdictions. The Secretary of the Interior shall suspend at any time the application of any such regulations when, after consultation with the Secretary of State and the United States Commissioners, he determines that foreign fishing operations in the regulatory area are such as to constitute a serious threat to the achievement of the objectives of the commission's recommendations. The regulations thus promulgated may include the selection for regulation of one or more of the species covered by the convention; the division of the convention waters into areas; the establishment of one or more open or closed seasons as to each area; the limitation of the size of the fish and quantity of the catch which may be taken from each area within any season during which fishing is allowed; the limitation or prohibition of the incidental catch of a regulated species which may be retained, taken, possessed, or landed by vessels or persons fishing for other species of fish; the requiring of such clearance certificates for vessels as may be necessary to carry out the purposes of the convention and this Act; and such other measures incidental thereto as the Secretary of the Interior may deem necessary to implement the recommendations of the commission: *Provided,* That upon the promulgation of any such regulations the Secretary of the Interior shall promulgate additional regulations, with the concurrence of the Secretary of State, which shall become effective simultaneously with the application of the regulations hereinbefore referred to (1) to prohibit the entry into the United States, from any country when the vessels of such country are being used in the conduct of fishing operations in the regulatory area in such manner or in such circumstances as would tend to diminish the effectiveness of the conservation recommendations of the commission, of fish in any form of those species which are subject to regulation pursuant to a recommendation of the commission and which were taken from the regulatory area; and (2) to prohibit entry into the United States, from any country, of fish in any form of those species which are subject to regulation

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued Oct. 3, 1962
For actions of Oct. 2, 1962
87th-2d, No. 179

CONTENTS

Agricultural appropriations.....1
Appropriations.....1,2,9,13,24,31,33,47
Bonding.....4,20
Communications.....17,21
Conflict of interest.25,33
Disaster loans.....12
Drugs.....8,33
Economics.....34
Education.....4,18
Farm labor.....9
Farm program.....37
Federal-State relations.43
FHA loans.....12
Foreign aid.....13,33
Foreign trade....7,9,33,38
Forestry.....19,23
Insecticides.....36
Irrigation.....49
Lands.....23
Legislative program...9,33
Library.....26
Loans.....11
Migratory birds.....28
Milk.....42
Minerals.....15,41
Parks.....19
Patents.....25,30
Pay increase.....4
Perishable commodities..46
Personnel.....4,35
Postal rates.....4
Public works.....3,9
REA.....17
Reclamation.....45
School lunch.....9,12
Taxation.....6
Tobacco.....16
Trade fairs.....27
Transportation.....29,39
Water pollution.....22
Watersheds.....5,32
Wetlands.....48
Wheat.....10
Wilderness.....40
World Food Congress..14,44

HIGHLIGHTS: House received conference report on agricultural appropriation bill. House received conference report on foreign trade bill. Both Houses agreed to conference report on tax bill. Confereees agreed to file report on pay bill. Senate passed bills to: Amend Food and Agriculture Act re 15-acre wheat exemption for 1963 crop; Increase limitation on FHA loans. Both Houses received and Senate agreed to conference report on school lunch fund apportionment bill. Senate passed foreign aid appropriation bill. Senate committee reported bill for holding World Food Congress.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL, 1963. Received the further conference report on amendments in disagreement on this bill, H. R. 12648 (H. Rept. 2514). All amendments previously reported in disagreement were still reported in disagreement (pp. 20596, 20650). Attached to this Digest is a copy of the conference committee report.

2. APPROPRIATIONS. Conferees were appointed on H. R. 12900, the public works appropriation bill. Senate conferees have already been appointed. p. 20568

   The Appropriations Committee was granted permission to file conference reports at any time. p. 20568

3. PUBLIC WORKS. The Rules Committee reported a resolution for the consideration of H. R. 13273, the public works authorization bill. p. 20650

4. PERSONNEL. The "Daily Digest" states that "Conferees, in executive session, agreed to file a conference report on the differences between the Senate- and House-passed versions of H. R. 7927, providing for postal rate increases and increases in Federal employees' salaries." p. D929

The Post Office and Civil Service Committee reported with amendment H. R. 9531, to amend the law relating to pay for postal employees (H. Rept. 2509). p. 20650

Concurred in the Senate amendment to the House amendment to S. 2697, to amend title 38, U.S.C., to provide an extension of the period within which certain educational programs must be begun and completed in the case of persons called to active duty during the Berlin crisis. This bill will now be sent to the President. p. 20569

Received from Treasury a report of the operations by Federal departments and establishments in connection with the bonding of officers and employees. p. 20650.

5. WATERSHEDS. The Agriculture Committee approved the work plans for the following watersheds: Anasco River, P. R.,; Bayou Folse, La.; Bee Creek, Kan.; Big Indian Creek, Neb..; Big Muddy Creek, Ky.; Big Wyacondah, Iowa; Crooked Bayou, Ark.; Duncan Creek, S. C.; Hardin Creek, Tenn.; Kaercher Creek, Penn.; Lattas Creek, Ind.; Line Creek, Tenn.; Lower Forest River, N. Dak.; Middle Caney, Kan.; Neshobe River, Vt.; Saltlick Creek, W. Va.; Stucker Fork, Ind.; Upper Bogue Phalia, Miss.; Upper Quaboag River, Mass.; West Fork of Pine River, Ky.; and Silver Creek, Kan. p. 20571

6. TAXATION. Both Houses agreed to the conference report on H. R. 10650, the proposed Revenue Act of 1962. This bill bill now be sent to the President. See Digest No. 150 for items of interest. pp. 20547-65, 20580-92

7. FOREIGN TRADE. Received the conference report on H. R. 11970, the proposed Trade Expansion Act of 1962 (H. Rept. 2518). pp. 20597-601, 20650

The Ways and Means Committee reported with amendment H. R. 12109, to amend the Tariff Act of 1930 to permit certain natural grasses and other natural materials to be imported free of duty (H. Rept. 2516). p. 20650

8. DRUGS. The "Daily Digest" states that "Conferees, in executive session, agreed to file a conference report on the differences between the Senate- and House-passed versions of S. 1552, proposed Drug Industry Antitrust Act." p. D929

9. LEGISLATIVE PROGRAM. Rep. Albert announced that the following bills will be considered on Wed.: H. R. 13290, the supplmental appropriation bill; H. R. 13273, the public works authorization bill; S. 1123, to extend certain child labor provisions of the Fair Labor Standards Act to children employed in agriculture; and the conference report on H. R. 11665, the school lunch fund apportionment bill. He further announced that the conference report on the proposed Trade Expansion Act of 1962 will be considered on Thurs. p. 20616

SENATE

10. WHEAT. Passed without amendment H. R. 13241, to amend Sec. 309 of the Food and Agriculture Act of 1962 so as to provide that a farm marketing quota on the 1963 crop of wheat shall be applicable to any farm on which acreage of wheat planted exceeds the smaller of 15 acres or the highest number of acres planted to wheat on the farm in calendar years 1959, 1960, 1961, or 1963, (instead of 1959, 1960, or 1961). This bill will now be sent to the President. p. 20492

87TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 2509

FEDERAL SALARY REFORM ACT OF 1962

OCTOBER 2, 1962.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

Mr. MORRISON, from the Committee on Post Office and Civil Service, submitted the following

REPORT

[To accompany H.R. 9531]

The Committee on Post Office and Civil Service, to whom was referred the bill (H.R. 9531) to amend the law relating to pay for postal employees, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

AMENDMENTS

The committee proposes two amendments to the bill: an amendment to the text and an amendment to the title.

AMENDMENT TO THE TEXT

The committee amendment to the text of the bill strikes out all after the enacting clause and inserts in lieu thereof a substitute text which is contained in the reported bill in italic type. An explanation of this amendment to the text is set forth hereafter in this report.

AMENDMENT TO THE TITLE

The committee amendment to the title of the bill is as follows: Amend the title so as to read:

> A bill to provide for improvement in the statutory salary systems of the Federal Government; to adopt and apply the principle of Government-private enterprise salary comparability; and for other purposes.

88294—62——1

STATEMENT

The purpose of this legislation, as approved by the overwhelming majority of the committee, is to modernize the Federal statutory salary systems and to make necessary adjustments in the compensation of over 1,600,000 Federal employees. In every major respect this bill carries out the recommendations of the President with regard to Federal employee salary reform. Without question it is the most comprehensive and far-reaching legislative proposal to improve Federal personnel management to be considered by the Congress in four decades.

Minority views are printed at the end of this report, beginning at page 108.

The bill approved by the committee carries out the recommendations of the executive branch with respect to Federal employee salary reforms, except that it provides slightly higher pay adjustments for postal employees in the first six levels of the postal field service schedule and for classified employees in the first five grades of the general schedule under the Classification Act of 1949, as amended. The only other respect in which the bill differs from the recommendation of the administration is that salary adjustments become effective in two phases—the first portion of the adjustments shall become effective at the beginning of the first pay period on or after July 1, 1962, and the remaining portion shall become effective in July 1963; whereas the salary reform measure recommended by the administration would take effect in three phases—the first phase in January 1963, the second phase in January 1964, and the final phase in January 1965.

The changes made by the committee in the President's salary reform proposal were based upon evidence presented at lengthy and thorough hearings, during which all interested parties were given an opportunity to testify, including the heads of the executive departments and agencies, leaders of postal and other Federal employee organizations, and representatives of private industry.

Postal and other Federal employee organizations wholeheartedly endorse and support the bill approved by the committee. The executive branch, however, supported the pay reform proposal submitted to the Congress by the President.

The committee is convinced that the enactment of this legislation is essential if the Federal Government is to attract and retain competent personnel under statutory salary structures and classification laws which are sufficiently flexible to motivate initiative and efficiency while establishing the principle that Federal employees shall be paid salaries comparable to those received by their counterparts in private life. The committee believes that to pay Federal employees more than is provided in this legislation would be unfair to the taxpayers, but to pay less than is provided in this bill would degrade the Government service and endanger our national security.

The coverage of the reported bill and estimated annual costs are as follows:

[Dollars in millions]

Section of bill	Coverage	Number of employees	Cost	
			Fiscal year 1963	Fiscal year 1964
Secs. 102, 103, 104, 108, and 116.	Postal field service employees	525,069	$483	$601
Sec. 202	Classification Act employees	1,007,306	375	788
Secs. 302 and 303	Foreign Service Act employees	14,799	10	27
Secs. 401 and 402	Employees in the Department of Medicine and Surgery, Veterans' Administration.	21,819	12	31
Sec. 502	Agricultural stabilization and conservation county committee employees.	26,282	6	10
Sec. 503	Judicial branch employees	5,568	2	4
Sec. 504	Employees of Senate and House of Representatives	7,887	4	8
	Totals	1,608,730	892	1,469

NEED FOR GOVERNMENT-PRIVATE ENTERPRISE COMPARABILITY

The justification for a comprehensive salary reform bill as proposed by the committee has been amply supported by the evidence presented to the committee. It was agreed that the Congress should adopt and apply the principle of Government-private enterprise salary comparability. The salary schedules provided in this legislation carry out this principle and the bill provides for the establishment of a permanent Committee on Federal Pay to be appointed by the President which shall give effect to this policy. From time to time the Pay Committee shall review the statutory salary systems, report to the President the result of these studies, and make appropriate recommendations for improvements in the Federal salary structure. The President shall submit to the Congress in March of each year a report summarizing the findings of the Pay Committee together with his recommendations for the enactment of such legislation as he deems desirable.

SALARY CEILINGS AND SUPERGRADE POSITIONS

The bill establishes a $22,500 annual salary ceiling with respect to classified and postal employees and a salary ceiling of $22,000 per annum is established for legislative employees who are granted pay increases under the bill. Scientific and professional employees, with the exception of 30 positions in the National Aeronautics and Space Administration, are subject to the same salary ceiling as established for classified employees, but no salary ceilings are imposed on the annual compensation of the other employees covered by the bill.

The legislation increases the number of supergrade positions (grades GS–16, GS–17, and GS–18) by authorizing the establishment of 51 additional positions by raising the total number of such positions from 1,989 to 2,040.

ONLY TWO BASIC DIFFERENCES BETWEEN BILL AND EXECUTIVE BRANCH RECOMMENDATIONS

By establishing the beginning of the first pay period after July 1, 1962, as the effective date for the first phase of the pay adjustments for Federal employees, the committee has determined that, based upon the testimony of witnesses, pay adjustments provided in this legislation should take effect 6 months earlier than the date recommended by the administration. It was shown during the hearings that the basic data and surveys upon which the salary reform legislation was submitted to the Congress are outdated. Apparently there is an 18-month lag between the salary data upon which the administration's salary reform proposal was based and the date upon which it was to become effective. Recent studies by the Bureau of Labor Statistics and independent surveys by competent research analysts show the need for the salary reform measure as approved by the committee to become effective in July 1962.

The overwhelming majority of the committee believes that the increased cost resulting from advancing the effective date of the bill by only 6 months is amply justified in the light of evidence presented to the committee during the comprehensive hearings. The committee believes that it is "penny wise and pound foolish" to declare arbitrarily in the light of this evidence that for some fictitious reason salary adjustments for Federal employees should be postponed until next year. Evidence was presented to the committee showing that salary adjustments for Federal employees are justified even earlier than the July 1962, effective date provided in this bill.

The only other major difference between this legislation and the salary reform measure submitted by the administration relates to the adjustments in the salaries of 700,000 employees in the lower pay levels who are making less than $5,000 a year. They comprise the great bulk of Federal employees both in the postal field service and in other parts of the Government.

PAY ADJUSTMENTS FOR CLASSIFIED EMPLOYEES

With respect to over 1 million employees paid under the provisions of the Classification Act of 1949, the bill provides a 7.5- to 8.2-percent increase in the first five grades while the proposal submitted by the executive branch provides a pay increase of 3.4 percent in grade GS–1, 3.2-percent increase in GS–2, 3.1-percent increase in GS–3, 7-percent increase in GS–4, and a 6.6-percent increase in GS–5.

The committee believes that recent studies completed by the Bureau of Labor Statistics and other independent surveys justify the increases provided in the bill above those recommended by the executive branch in the salaries of 484,342 classified Federal employees in grades GS–1 through GS–5. In grade GS–6 through grade GS–18 the bill recommended by the committee carries out the President's proposal in every detail except with regard to effective dates.

On the overall, the bill approved by the committee grants an average 11.8-percent increase in the salaries of classified Federal employees when the bill becomes fully effective, while the proposal recommended by the executive branch grants an average increase of 11 percent in the salaries of such employees.

The following table shows the pay increases for classified Federal employees, by grades, as recommended in the committee bill as compared to the proposal submitted to the Congress by the executive branch:

Increase in base pay for Federal employees in Classification Act positions, by grade, as proposed in administration salary reform proposal and in H.R. 9531, as approved by the committee

Grade	First phase				Last phase			
	Administration proposal		H.R. 9531		Administration proposal		H.R. 9531	
	Percent increase	Average dollar increase	Percent increase	Average dollar increase	Percent increase	Average dollar increase	Percent increase	Average dollar increase
GS-1	1.1	$40	5.6	$196	3.4	$120	7.6	$266
GS-2	1.1	40	5.6	212	3.2	120	7.6	287
GS-3	1.3	52	5.6	231	3.1	129	7.6	311
GS-4	4.7	207	5.8	260	7.0	312	7.5	335
GS-5	3.4	167	6.7	332	6.6	327	8.2	405
GS-6	4.1	224	4.1	224	8.1	443	8.1	443
GS-7	4.2	250	4.2	250	9.1	537	9.1	537
GS-8	5.3	340	5.3	340	10.9	706	10.9	706
GS-9	6.0	419	6.0	419	12.5	869	12.5	869
GS-10	7.1	534	7.1	534	14.5	1,088	14.5	1,088
GS-11	5.1	410	5.1	410	13.2	1,069	13.2	1,069
GS-12	5.7	541	5.7	541	15.7	1,494	15.7	1,494
GS-13	4.9	554	4.9	554	16.7	1,865	16.7	1,865
GS-14	6.2	792	6.2	792	19.9	2,540	19.9	2,540
GS-15	7.6	1,099	7.6	1,099	23.5	3,382	23.5	3,382
GS-16	10.1	1,585	10.1	1,585	28.4	4,449	28.4	4,449
GS-17	12.9	2,189	12.9	2,189	33.9	5,724	[1] 33.9	[1] 5,724
GS-18	9.8	1,815	9.8	1,815	32.4	6,000	[1] 32.4	[1] 6,000
All	4.6	286	5.6	349	11.0	684	11.8	732

[1] H.R. 9531 proposes the same rates for these grades (GS-17 and GS-18) as those in the administration bill, but limits the amount which may actually be paid to a ceiling of $22,500.

PAY ADJUSTMENTS FOR POSTAL FIELD SERVICE EMPLOYEES

With regard to over 525,000 employees in the postal field service when the final pay increase becomes effective in July 1963 the bil provides a 13.7-percent increase in the first five levels (level 4 includes all postal clerks and carriers), while the proposal submitted by the executive branch provides a pay increase of 7.4 percent in level 1, 8.4-percent increase in level 2, 9.7-percent increase in level 3, 7.5-percent increase in level 4, and an 11-percent increase in level 5. In levels 6 and above, the higher percentage increases provided in the bill results from the desire of the committee to make certain that postal supervisors and postmasters are granted full credit for longevity benefits already accrued. This protection of all postal employees' longevity benefits increases the cost of the bill by only $9 million annually.

Testimony at the hearings showed conclusively that the lower levels in the postal field service are unique by reason of the fact that most of the employees in these levels spend their entire Government careers in lower paying positions. This is particularly true with respect to clerks and carriers in level 4, most of whom have little or no opportunity for advancement to higher levels. The postal service must depend upon proper salary incentives established by the Congress to attract and retain competent and well-qualified persons in the clerk-carrier level. Consequently, the committee agreed with the policy

adopted by the administration's salary reform proposal that special consideration should be given to clerks and carriers in level 4.

The committee was impressed by the difficulty which the Civil Service Commission is experiencing in connection with the recruitment of postal clerks and carriers in the larger metropolitan areas. For example, it was reported to the committee that in 1961 the New York region had 4,709 "quits" by carriers; 1,865 resigned to take other employment; 211 refused to give their reasons; 130 stated they were resigning because of inadequate salary; and 86 left for military service and stated they had no desire to return. It was reported to the committee that civil service examination requirements for clerk-carrier positions in the New York area were relaxed this year in order to recruit a sufficient number of eligibles to fill vacancies. This action, designed to reduce the large number of failures in the written examination, took the form of eliminating the general abilities questions from the test. The general abilities phase of the examination for clerk-carrier positions was eliminated in the Jamaica, Flushing, Long Island City, and Far Rockaway post offices. The committee believes that providing proper and adequate pay incentives for positions of clerk-carrier will greatly improve the postal service.

In addition, the committee believes that recent studies completed by the Bureau of Labor Statistics and other independent surveys justify the increases provided in the bill above those recommended by the executive branch in the salaries of 481,024 postal employees in levels 1 through 6. In level 7 through level 20, the bill recommended by the committee carries out the President's proposal in every detail, except with regard to the effective dates and longevity benefits.

Under provisions of the bill, the final pay increase for fourth-class postmasters, which is to become effective in July 1963, amounts to a 30-percent increase in their annual compensation, which is identical to the final phase of such pay increase recommended by the administration for fourth-class postmasters.

The committee rejected the administration's proposal to create a new pay policy and a new pay schedule for rural carriers. Instead, the bill provides in the final phase, effective July 1963, an average 12-percent increase in the annual compensation of rural carriers as compared to a 6.7-percent pay increase for rural carriers in the administration's pay proposal.

On the overall, the bill approved by the committee grants an average 13.9-percent increase in the salaries of over 525,000 postal employees when the bill becomes fully effective in July 1963, while the proposal recommended by the executive branch grants an average increase of 8.2 percent in the salaries of postal employees.

It should be pointed out that the scheduled rates of compensation in the final phase of the bill recommended by the committee and the administration proposal are identical in levels PFS–7 and above.

The following table shows the pay increases for postal employees, by levels, as recommended in the bill as compared to the proposal submitted to the Congress by the executive branch:

Increase in base pay for postal employees as proposed in administration salary reform proposal and H.R. 9531, as amended

Level	Administration salary plan				H.R. 9531, as amended			
	1st phase		3d phase		1st phase		2d phase	
	Percent increase	Average dollar increase	Percent increase	Average dollar increase	Percent increase	Average dollar increase	Percent increase	Average dollar increase
PFS–1	3.4	$128	7.4	$282	10.8	$395	14.0	$512
PFS–2	4.1	173	8.4	351	11.1	466	14.3	600
PFS–3	5.4	242	9.7	435	11.8	530	15.8	710
PFS–4	3.3	168	7.5	380	10.4	526	13.4	678
PFS–5	3.5	193	11.0	609	9.9	546	14.1	777
PFS–6	4.3	253	8.4	495	10.1	592	14.3	838
PFS–7	4.7	304	8.8	567	9.5	612	12.9	830
PFS–8	5.0	351	9.0	629	8.8	611	13.0	903
PFS–9	5.8	434	9.9	738	10.8	809	14.9	1,116
PFS–10	3.4	281	10.3	850	8.3	683	15.6	1,283
PFS–11	3.2	281	11.2	990	8.6	761	17.0	1,504
PFS–12	3.0	291	12.2	1,198	8.4	814	18.1	1,753
PFS–13	2.9	306	13.2	1,403	8.3	881	18.9	2,007
PFS–14	2.9	337	14.5	1,703	8.4	984	20.7	2,424
PFS–15	3.0	397	16.0	2,059	8.5	1,096	22.1	2,850
PFS–16	4.4	609	18.7	2,600	7.9	1,097	22.7	3,152
PFS–17	4.0	609	19.6	2,992	10.1	1,542	21.4	3,268
PFS–18	3.0	484	19.7	3,239	8.1	1,330	24.1	3,958
PFS–19	4.1	710	19.8	3,388	5.2	889	23.7	4,053
PFS–20	5.6	968	25.2	4,373	10.3	1,790	28.2	4,902
All	3.7	191	8.2	424	10.4	540	13.9	722

NOTE.—Additional credit for longevity steps in PFS–7 and above, as provided in H.R. 9531, accounts for the difference in increases upon conversion between the administration pay plan and H.R. 9531. Scheduled rates in the final phase of the 2 plans in PFS–7 and above are identical.

FOREIGN SERVICE PAY REFORM

Title III of the bill approved by the committee carries out the recommendations of the President with respect to pay reform in the salary schedules of the Foreign Service under the Department of State in every detail and extends comparability and alinement principles to such salary schedules.

Comparability would be brought about by linking the pay of—

FSO–4 with GS–13.
FSO–8 with GS–7.
FSS–1 with FSO–3.
FSS–10 (new) with GS–4.

The fourth rate of the class at the point of linkage is associated with the fourth rate of the corresponding Classification Act grade. A structure of regularized, slightly increasing interclass differentials provides the fourth rates of other Foreign Service officer classes. The rate for the highest class, Career Ambassador, is set at the same level as that for Chief Medical Director of the Department of Medicine and Surgery of the Veterans' Administration. Foreign Service Staff rates for other classes are derived from a uniform interclass differential pattern up to FSS–4, above which FSS salary levels conform with those for corresponding FSO classes. Ten FSS levels would replace the existing 22, the lower 9 of which seldom have been used.

Rate ranges for Foreign Service Staff classes would be 30 percent, with an entry rate and nine step increases, like the proposed Classification Act within-grade structure. Existing longevity increase pro-

visions would be repealed. Except at top levels, where lesser ranges or single rates are used, 20-percent salary ranges are proposed for Foreign Service officer classes. Foreign Service officer career patterns, because of the selection-out system and other factors, do not require a wide range of salaries for a class.

Existing law permits the Secretary of State substantial discretion in the use of within-class salary rates. His present authorities would remain in effect; they would be subject to Presidential policies and rules.

REFORM OF SALARIES IN THE VETERANS' ADMINISTRATION DEPARTMENT OF MEDICINE AND SURGERY

Title IV of the bill approved by the committee carries out in detail the recommendations of the President with respect to pay reform in the salaries of physicians, dentists, nurses, and the directive staff of the Department of Medicine and Surgery of the Veterans' Administration. The provisions of title IV are based on the twin principles of comparability and internal alinement.

Pay comparability is brought about by linking the pay of—

Physician, Director grade (new), with GS–16.
Physician, associate grade, with GS–11.
Director, Nursing Service, with GS–15.
Nurse, junior grade, with GS–6.

Salary ranges for intermediate grades of physicians, dentists, and directive staff and most grades of nurses were established by maintaining a regularized pattern of intervals between grades similar to the pattern used for the Classification Act. Directive level salaries are based on an upward projection of these salary schedules.

Salary structures are improved by adding two new physician grades and dropping one former grade and by adding one nurse grade. The proposed Classification Act rate range, generally 30 percent, is used except at the highest levels, where lesser ranges or single rates are proposed.

Under existing law, the Administrator of Veterans' Affairs has wide discretion in determining what step rates will be established within prescribed statutory rate ranges and how the step rates will be used. His present authority would continue, but subject to the President's policy direction. Step rates within the statutory limits of the rate ranges would be set administratively, as they now are. The existing authority for 15 percent additional pay for specialists would be repealed. Proposed 30-percent rate ranges would provide an adequate spread to permit recognition of specialist qualifications.

PAY ADJUSTMENTS FOR JUDICIAL BRANCH AND LEGISLATIVE BRANCH EMPLOYEES

Sections 503 and 504 of the bill increase the compensation of officers and employees in the judicial branch and in the legislative branch as nearly as in practicable by amounts comparable, respectively, to the amounts of the increases provided under title II of the bill for the scheduled rates of compensation for classified employees under the general schedule of the Classification Act of 1949, as amended. Such increases in compensation are to become effective in two phases in the same manner in which the rates of compensation in the general

schedule of the Classification Act of 1949 are increased for classified employees in the executive branch of the Government.

AGRICULTURAL STABILIZATION AND CONSERVATION COUNTY COMMITTEE EMPLOYEES

Section 502 of the bill provides that the salaries of persons employed by the Agricultural Stabilization and Conservation county committees shall be increased, as nearly as may be practicable, by amounts equal to the increases provided for classified employees under title II of the bill for corresponding rates of compensation in the appropriate pay schedules.

GENERAL PAY REFORM PROVISIONS

The bill follows the recommendations of the President in recognizing the need for establishing and maintaining pay comparability between employees in Government and those in private industry. Adoption of this principle assures equality for Federal employees with their counterparts throughout the national economy. Comparability with private enterprise salary levels provides a long needed logical and factual standard for setting Federal salaries. It includes the effects of such legimate pay considerations as cost of living, standard of living, and productivity as those factors are resolved into the going rate over bargaining tables and other salary determining processes throughout the country.

The bill recognizes that Federal employees, particularly in the upper levels, have suffered over the years by reason of failure to pay them comparable salaries to those which are paid their counterparts in private industry. Recent studies show that from grade GS–4 upward private industry salary averages consistently exceed Federal salaries. At the lower professional levels of GS–7 and GS–9, the difference is quite noticeable. For example:

National average rate in private enterprise	Classification Act rate range		
	Grade	Minimum	Maximum
$6,648	GS–7	$5,355	$6,345
7,776	GS–9	6,435	7,425

At the upper professional levels, there is an even greater lag of Federal salaries:

National average rate in private enterprise	Classification Act rate range		
	Grade	Minimum	Maximum
$13,152	GS–13	$10,625	$11,935
15,363	GS–14	12,210	13,510
19,348	GS–15	13,730	15,030

Further evidence of this trend was furnished by the Civil Service Commission's 1960 study of salaries paid in 21 large nationwide firms for personnel, finance, research and development, law, and plant management positions with responsibilities equivalent to those of Federal positions in grades GS–16, GS–17, and GS–18. This study showed these serious disparities:

Federal Government		21 firms, major salary clusters
Grade	Salary range	
GS–16	$15,255–$16,295	$20,000–$30,000
GS–17	16,530– 17,570	27,500– 37,500
GS–18	18,500	32,500– 45,000

Therefore, the committee believes the pay adjustments which have been provided in the upper levels in all of the salary schedules established under the provisions of this bill are reasonable and proper and in accord with the recommendations of the President. Even with these adjustments in a large number of cases, Federal employees in the upper levels are still below their counterparts in private industry with respect to annual compensation. By imposing a salary ceiling of $22,500 per annum in title II for classified employees, the committee believes that before final adjustments can be made in accordance with the recommendations of the President it will be necessary for the executive branch to submit to the Congress proposed revisions of the Federal Executive Pay Act of 1956.

One major reform of the Classification Act salary structure is achieved through an improved pattern of intervals between salaries at successive grades. Under the bill, pay differentials between successive grades would be brought into an improved pattern and the entry rates for most grades will be, upon full reform, about 10 percent apart. This spreading out of entry rates will relieve the compression now existing generally but especially severe at the higher grades.

Salary ranges of the grades would be improved. Most grades would have a 30-percent pay range—entry rate and nine step increases—except the top grades. Step increases would be uniformly large enough to serve their purposes as material incentives.

The present length-of-service requirements for step increases would be revised. Step increases are now granted every 52 weeks at GS–10 and below and every 78 weeks at GS–11 and above. Under the bill, the first three step increases would each be granted after 52 weeks of satisfactory performance. Thus, step-ups would be relatively frequent during the first 3 years on a job when performance normally improves rapidly. The next three steps would come at 2-year intervals, and the final three steps at 3-year intervals, where the aim is to motivate continued good performance. This revised use of step increases offers incentives over a period of 18 years. Most Classification Act employees receive promotions in grade and few work more than 18 years in a grade. At the same time, the revised use of step increases encompasses within the salary range of a grade what are now called longevity rates, thus removing unnecessary restrictions on the use of such rates.

POSTAL PAY REFORM

Some of the more progressive pay reform provisions are contained in title I of the bill which establishes new compensation schedules for postal field service employees. The provisions of this title and the construction of the new postal field service schedule are based generally on the principles of comparability between salaries of postal employees and those in allied occupations in private industry, proper internal alinement between pay levels and steps in such pay levels, and on the special career conditions in the lower levels.

To extend comparability salary levels to the postal service consistent with the general schedule under the Classification Act of 1949, PFS–20 and PFS–11 are linked with GS–17 and GS–11, respectively, through evaluation of duties, responsibilities, and qualifications required. The fourth step rates of Classification Act grades GS–17 and GS–11 were used as the fourth step rates of PFS–20 and PFS–11 respectively. The fourth step rates of other postal levels were established by application of uniform intergrade differentials for levels PFS–7 through PFS–10 and another set of uniform differentials among levels above PFS–10. With the exception of lower levels where the committee found special conditions to exist, there has been established in the bill a PFS comparability pay line at the same general level as the Classification Act pay line.

The postal field service schedule was constructed by applying within-grade pay ranges patterned along the lines of those provided in title II of the bill for the Classification Act of 1949 but substantially wider at the lower postal levels. Eleven within-grade increases spread over 21 years and adding up to a 37-percent range are provided for PFS–1 through PFS–6 where employees normally spend their entire careers in a single level. The new PFS rate ranges replace the former longevity increases as well as the regular step increases in the former pay schedule. Time intervals between step increases are 1 year each for the first seven steps and 3 years each for the remaining steps within the level.

Additional step increases may be granted by the Postmaster General under the provisions of title I to any employee for exceptional competence and the Postmaster General may appoint an individual with extra qualifications at a rate above the minimum of the level.

Other revisions in the postal compensation system guarantee a minimum two-step increase on promotion to a higher level or a three-step increase if promoted three or more levels.

The adoption of these principles recommended by the administration will enable the Postmaster General to exercise greater discretion in the best interest of the postal service in connection with personnel administration. The committee believes this flexibility is wholly desirable.

PAY ADMINISTRATION FLEXIBILITY FOR CLASSIFICATION ACT EMPLOYEES

Title II of the bill provides greater flexibility in pay administration for classified employees under the Classification Act pay schedule.

The bill includes the provision in H.R. 1010 which passed the House of Representatives on August 22, 1961. These provisions would insure employees promoted to a higher grade a salary increase equiv-

alent to not less than two step increases in the grade from which promoted.

The Classification Act of 1949 in its present form contains no provisions for merit increases. Private enterprise relies heavily on merit increases for rewarding and encouraging its better employees. The bill provides for use of step increases, under Civil Service Commission regulations, to reward high-quality performance. No more than one such increase could be granted an employee during a year. This authority would make it possible for Federal managers to reward appropriately the better performers, whose everyday contributions to Federal programs continuously exceed the contributions of their associates.

At various times in the past, the Classification Act system has permitted within-grade merit increases. In the early years of the act, increases were permitted to employees with specified efficiency ratings. Absence of coordination among agencies—with increases depending more on the condition of an agency's appropriation than on merit—led to the present system of automatic, length-of-service increases. A limited, relatively cumbersome system of superior performance increases remained in existence but proved unsatisfactory and the authority on which it rested was repealed in 1954. The bill takes a middle ground between the two extremes that proved unsuccessful under the Classification Act of 1949 in the past.

The bill also provides for appointing individuals with extra qualifications at a rate above the minimum of a grade, or for using a higher rate when the minimum would be lower than the candidate's current salary. This authority would also be exercised under Civil Service Commission regulations. It is designed to help attract high-quality personnel to the Federal service. There are many instances in which ability to offer a few hundred dollars more may enable the Government to secure the services of a well-qualified individual.

Under present law, there is no pay method for rectifying a situation in which a Classification Act supervisor is paid less than a wage board employee under his supervision. With Classification Act salaries at comparability levels, the incidence of situations of this sort should be sharply reduced but, with the supervisor's rate based upon a national average and the subordinate's rate on a local average, some of these pay inversions may still be encountered. Accordingly, the bill would permit an agency, under Civil Service Commission regulations, to raise the rate of the supervisor in these circumstances to a rate of his grade which is above the rate paid the wage board employee under his supervision.

MISCELLANEOUS PROVISIONS

Title V of the bill contains a number of miscellaneous provisions relating to existing authorities to set salaries for specified numbers of positions in certain scientific activities without regard to the Classification Act of 1949.

The positions are in the Departments of Defense, Interior, Agriculture, Health, Education, and Welfare, Commerce, Post Office, the National Security Agency, National Aeronautics and Space Administration, Atomic Energy Commission, Federal Aviation Agency, and Arms Control and Disarmament Agency. At the present time,

salaries generally are restricted to the range between $12,500 and $19,000, but a maximum of 30 positions in the National Aeronautics and Space Administration now may be paid up to $21,000 a year.

Title V authorizes, in place of the present fixed dollar limitations, salaries in the range between the minimum rate of grade GS–16 and the pay of grade GS–18. Under the first phase Classification Act schedule effective in July 1962, the range would be $16,400 to $20,315. Effective in July 1963, the range would become $19,125 up to the maximum for GS–18 as limited by section 506(a). A special provision would permit immediately setting salaries for a maximum of 30 positions in the National Aeronautics and Space Administration (which may now be compensated up to $21,000 annually) at not to exceed the rate for grade GS–18 which would be in effect after July 1963, under title II of the bill.

These provisions would produce much needed increases in salaries for the positions concerned, generally those of scientists engaged in advanced research and developmental studies. More important, linking the rate range for these positions to specified Classification Act grade ranges would produce automatically appropriate adjustments in the salary limits for these positions whenever the Classification Act and other statutory salary schedules are adjusted as a result of movements in national private enterprise salary levels.

COST

According to estimates submitted by the Bureau of the Budget as shown in the chart in the sixth paragraph of the "Statement" of this report, the cost resulting from the enactment of this bill during fiscal year 1963 will be approximately $892 million. When the final pay adjustments become fully effective in July 1963, there will be an added cost of about $577 million resulting in a total cost for the bill of approximately $1,469 million annually. According to the testimony of representatives of the Bureau of the Budget and the Civil Service Commission who appeared before the committee, the bill recommended by the administration would increase Government expenditures by $1,058,500,000 annually when that proposal became fully effective.

The difference of approximately $411 million between the cost of the administration's proposal and this bill occurs by reason of (1) additional coverage of this legislation as compared to the administration's proposal, (2) the bill becoming effective in two phases in 2 fiscal years rather than in three steps in 4 fiscal years, and (3) by reason of the more realistic pay adjustments which are provided for over 700,000 Federal employees in the lower pay levels who, for the most part, are now receiving less than $5,000 per annum.

The committee believes that the added cost above that which is proposed by the administration is fully justified for the foregoing reasons.

The illusion of substantially lower costs which is contended for the administration's proposal is created by reason of the fact that the cost is spread over 4 fiscal years rather than over 2 fiscal years as proposed in this legislation. In order to view the full impact of the salary reform measure recommended by the administration, it should be pointed out that according to the Bureau of the Budget—

the President's salary reform plan has an annual cost of $448 million for the first full year, $818 million in the second full year and slightly in excess of $1 billion in the third full year.

The committee believes that beginning in fiscal year 1966 and thereafter there will be very little difference—if any difference—between the cost of the bill as compared to the administration's pay proposal.

In order to avoid unnecessary Federal expenditures and to reduce the cost of this bill, the committee adopted a provision contained in section 605 under which the Director of the Bureau of the Budget is authorized and directed to take whatever action is necessary to absorb the cost of the pay increases provided for in the bill. Although this is not a mandatory provision which would require the separation of any Federal employee or place any such employee on a leave-without-pay status, nevertheless, it is an affirmation of a policy which the committee believes will reduce the cost of the bill below the estimates furnished by the Bureau of the Budget.

CONCLUSION

As stated earlier in the report, the enactment of this bill would be one of the most progressive and constructive actions taken by the Congress since the establishment of the civil service system to provide improved personnel management resulting from pay reform legislation. The enactment of the bill would bring Federal statutory salaries more nearly up to levels reasonably comparable with rates paid in private industry and would establish equitable relationships among Federal pay systems.

In approving this legislation, the committee followed almost every recommendation submitted to the Congress by the President in connection with reform of Federal pay systems. The only departure relates to the lower grades. The overwhelming majority of the committee members believe that special considerations, emphasized during the hearings relating to the lower pay levels, necessitated a change in the administration's recommendations.

The structural reforms and the flexibility recommended by the administration in the statutory pay systems are preserved almost intact.

The linkage and comparability principles which were enunciated and stressed by representatives of the executive branch have not been destroyed. The linkage is preserved, except with respect to the relationship between the positions of postal clerk and carrier with positions in grade GS–5 under the Classification Act. The reports and testimony of representatives from the Civil Service Commission, Bureau of the Budget, and Post Office Department recognize the difficulty with such an arbitrary linkage by stating that additional considerations must be given the "unique character of postal occupations" and that for the most part postal employees in PFS levels 1 through 6 "normally spend their entire careers in a single level."

The extra step increase on conversion after the effective date of the bill for postal employees in the first four levels of the postal field service schedule, and for rural carriers, has been included in the bill in order to recognize these special characteristics.

In every respect, the linkage and comparability between the other statutory pay systems (the Foreign Service Act, the Department of

Medicine and Surgery of the Veterans' Administration, and the Classification Act) are maintained.

In recognition of the vast responsibilities of our Federal Government in these perilous times and the reliance upon our Federal employees for the safety, security, efficiency, and effectiveness of our Federal Government operations, the American people can afford no less than the most equitable treatment for all Federal employees. The cost of this legislation is a wise and prudent investment in the future of America. The tremendous sums of Federal funds which are under the direction and control of Federal employees and the fearful responsibilities which they exercise from day to day throughout the world underline the need for the enactment of this legislation.

EXPLANATION OF THE BILL BY SECTIONS

SHORT TITLE

The first section provides a short title for the proposed law—the "Federal Salary Reform Act of 1962."

Title I—Postal Field Service Employees

SHORT TITLE

Section 101 provides a short title for the provisions of Title I—the "Postal Employees Salary Adjustment Act of 1962."

EMPLOYEES UNDER THE POSTAL FIELD SERVICE SCHEDULE

Section 102 provides increases in the per annum rates of basic compensation of employees subject to the postal field service schedule by amending the schedule provided in section 3542(a) of title 39, United States Code. The amendment provides two new schedules. The first schedule will be effective from the first day of the first pay period which began on or after July 1, 1962, until the first day of the first pay period which begins on or after July 1, 1963. The second schedule will be effective thereafter. The per annum rates which may be paid to employees under this amendment are limited by section 506(a) of the bill and may not exceed the smaller amount (currently $22,500) set forth in 601(a) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 31).

The new schedules replace both the annual salary steps in the present postal field service schedule and the longevity steps now provided by 39 U.S.C. 3558. The provisions of such section 3558 are repealed by section 115 of the bill. In the present schedule, there are seven steps in PFS–1 through PFS–18, three steps in PFS–19, and one step in PFS–20. In the new schedules, there are 12 steps in PFS–1 through PFS–6, 11 steps in PFS–7, 10 steps in PFS–8 through PFS–18, 7 steps in PFS–19, and 4 steps in PFS–20.

EMPLOYEES UNDER THE RURAL CARRIER SCHEDULE

Section 103(a) amends section 3543(a) of title 39, United States Code, to provide two new schedules for determining the per annum rates of basic compensation of rural carriers. The first schedule will

be effective from the first day of the first pay period which began on or after July 1, 1962, until the first day of the first pay period which begins on or after July 1, 1963. The second schedule will be effective thereafter. The new rural carrier schedules continue the present system for paying rural carriers which relates basic compensation primarily to miles of the rural route. The number of per annum rates and steps is increased to 12. The new steps replace both the seven per annum steps and the three longevity steps.

Section 103(b) amends subsection (f) of section 3543 of title 39, United States Code, which relates to allowances for rural carriers for equipment maintenance. The present allowances for routes is $3.50 per day or 10 cents per mile, whichever is greater, plus $2.50 per day for heavy duty routes.

While retaining 10 cents a mile as standard allowance, the amendment increases the minimum daily allowance of $3.50 per day to $4 for routes requiring less than 260 stops. For other routes, the allowance shall be the greater of (A) 10 cents a mile, or (B) the sum of (1) $4 per day, (2) 5 cents for each unit of 20 stops in excess of 260 a day, as determined by the Postmaster General, and (3) 5 cents a mile for each mile over 22 miles.

The use of the number of stops as a basis for computing the equipment maintenance allowance is a new feature added to the law by this amendment. The Post Office Department now uses a similar basis under administrative regulations. In order to permit the Postmaster General to determine the number of stops for each rural route, as required by the amendment, the provisions of the amendment made by section 103(b) of the bill will become effective, under section 117(3) of the bill, on the first day of the first pay period which begins on or after the date of enactment or on or after October 1, 1962, whichever is the later date.

Section 103(c) amends section 3543(c) of title 39, United States Code. The present law authorizes the payment of additional compensation to rural carriers serving heavy duty routes not exceeding 61 miles in length. The amendment authorizes the payment of additional compensation to rural carriers serving heavy duty routes not exceeding 101 miles in length. The increase in the mileage limitation will permit the payment of additional compensation on overburdened routes for which the heavy-duty compensation could not be paid because of the excess mileage.

Under existing law, the additional compensation could be paid to a rural carrier only in an amount which would not exceed "the basic salary for the maximum step in the Rural Carrier Schedule for a route sixty-one miles in length" (Public Law 86–568, sec. 103(b)). The amendment does not contain a similar limitation but permits the additional compensation to be authorized on the basis of maximum allowable time required to serve a route as determined by evaluation under the office and route time standards prescribed by the Postmaster General. When a rural carrier is given auxiliary assistance to help in the office work or on his route, it is anticipated that the Postmaster General, in determining the additional compensation for serving a heavy duty route, will give due consideration to the effect the auxiliary assistance has on the time required by the carrier to serve his route.

POSTMASTERS UNDER THE FOURTH CLASS OFFICE SCHEDULE

Section 104(a) amends section 3544(a) of title 39, United States Code, to provide two new schedules for determining the per annum rates of basic compensation of postmasters at post offices of the fourth class. The first schedule will be effective from the first day of the first pay period which began on or after July 1, 1962, until the first day of the first pay period which begins on or after July 1, 1963. The new schedules continue to relate compensation to gross receipt categories and provide 12 steps to conform with the pattern established under the postal field service schedule. The new steps replace both the seven per annum steps and the three longevity steps.

Section 104(b) amends section 3544(b) of title 39, United States Code. The amendment includes all the provisions now contained in such section 3544(b) and adds a new provision contained in the second sentence of the amended section 3544(b). The purpose of the new language in such second sentence is to correct an inequity in the treatment of the salary of a postmaster in a post office of the fourth class when such office is relegated to a lower gross receipts category and subsequently advanced to a higher gross receipts category. The amendment will permit restoration of such a postmaster to the highest salary step held by him when the post office was in the higher gross receipts category.

Under existing law, such postmaster's rate of compensation is set at the first step in the higher category which exceeds his salary in effect at the time of advancement. This general rule under existing law does not recognize the fact that a postmaster who previously served in a higher category may have advanced to a step above step 1 by reason of length of service in that category. The amendment made by section 104(b) will continue the provisions of existing law and add the authorization described above.

AUTOMATIC ADVANCEMENT BY STEP INCREASES

Section 105 amends section 3552 of title 39, United States Code, relating to advancement of postal field service employees by step increases.

The present schedule of automatic advancements provides for step increases based on 52 weeks of service in a step until step 7, the highest step in the existing schedule, is reached for postal service employees, except for substitutes whose positions are allocated to salary level PFS–5 as a distribution clerk in a railway or highway post office who could not be advanced beyond step 4. Thus, an employee entering on duty in PFS–4, step 1, would reach step 7 upon completion of six 52-week periods, or after approximately 6 years of service in that level.

Under subsection (a) of section 3552, as amended by section 105 of the bill, each employee in the postal field service will be advanced automatically to steps 2, 3, 4, 5, 6, and 7 on the basis of 52 weeks of service in each step and to steps 8 and above on the basis of 156 weeks of service. To reach step 7 under the new schedule, an employee entering on duty in PFS–4, step 1, would complete 6 years of service, and he would reach step 12, the highest step for his level under the new schedule, upon completion of 21 years of service.

88294—62——2

The amendment does not continue the limitation on the advancement of substitutes assigned to road duty. It has been the practice of the Post Office Department to credit service by such a substitute in step 4, PFS–5, and, upon placement in a position not subject to the limitation, the employee would be advanced in step in the new position on the basis of such service, if otherwise proper. The removal of such limitation will permit these substitute employees who were not advanced beyond step 4 of salary level PFS–5 by reason of the limitation, to be given credit for all their service in step 4 and given the appropriate step increases at the time of conversion, in accordance with the provisions of section 108(a)(3) of the bill.

Subsection (b) of such section 3552 as amended by section 105 of the bill, provides that statutory increases in basic compensation shall not be considered an equivalent increase for purposes of determining eligibility for the automatic advancement by step increases under subsection (a) of such section 3552.

Subsection (c) of such section 3552 as added by section 105 of the bill, reenacts the provisions contained in the last sentence of existing section 3552(a) relating to the preservation of the benefits of successive step-increases for employees whose continuous service is interrupted by service in the armed services.

PROMOTIONS

Section 106 amends section 3559 of title 39, United States Code. The method of promotion under existing law guarantees to each postal field service schedule employee who is promoted to a higher salary level a minimum increase equivalent to the difference between step 1 of the level from which promoted and step 1 of the level immediately above the level from which promoted.

The amendment made by section 106 of the bill will guarantee to each employee who is promoted to a position in the postal field service schedule a minimum increase equivalent to two step increases of the level from which promoted. If the employee is promoted to a level more than two levels above the level of his position, he will receive a minimum increase equivalent to three step increases. In the event there is no step in the salary level to which the employee is promoted with a rate which exceeds his existing basic compensation by at least the amount of the specified difference, the employee will be paid either the maximum step of the higher salary level or his existing basic compensation, whichever is higher.

The existing provisions of subsection (b) of such section 3559 are, in effect, repealed by this amendment. Under such provisions of existing law, regular clerks and carriers in post offices of the first or second class become eligible for promotion upon reaching the maximum step of their positions, step 7, after 6 years of service. Under the new schedules such employees will reach the maximum step in approximately 21 years. Consequently, continuation of the restriction now contained in such subsection (b) of section 3559 is not consistent with the provisions of this bill and, in effect, are repealed by the amendment contained in section 106 of the bill.

DEFINITION OF BASIC SALARY AND BASIC COMPENSATION

Section 107 amends section 3101 of title 39, United States Code, to conform the definition of the terms "basic salary" and "basic compensation" with the new meaning given to those terms by this bill. Under the amendment, each term will mean the rate of annual or hourly compensation specified by law, exclusive of overtime and night differential. This definition omits all reference to longevity compensation (the provision for which is repealed by section 115).

CONVERSION AS OF THE FIRST PAY PERIOD FOLLOWING JULY 1, 1962

Section 108(a) provides rules for the adjustment of the rates of basic compensation of each employee in a position under the postal field service schedule or the rural carrier schedule on the first day of the first pay period which began on or after July 1, 1962.

Paragraph (1) of section 108(a) provides that each employee in any of the first four levels of the postal field service schedule and each rural carrier shall be assigned to the same numerical level and advanced one step higher than the step he was in prior to the effective date of the first schedule, as applicable, provided by the amendments contained in sections 102 and 103(a) of the bill. Each employee in levels 5 through 20 of the postal field service schedule shall be assigned to the same numerical level and step he was in prior to the effective date of the first new postal field service schedule. Any changes in level or step which otherwise occurred on the effective date of such schedules without regard to the enactment of this bill are deemed to have occurred prior to the conversions under this paragraph.

Paragraph (2) provides that, in addition to conversion under paragraph (1), each employee covered thereby shall be advanced one additional step for each longevity step he had earned on or prior to the conversion provided under paragraph (1).

Paragraph (3) preserves credit toward the next automatic step-increase of credit earned by an employee prior to the effective date of the first schedule, except for an employee in any of the first four levels of the postal field service schedule or a rural carrier who is advanced from step 6 to step 7 under paragraph (1) or for an employee who was advanced under paragraph (2) for a previously earned longevity step. Employees in step 7 are not considered as having earned automatic step-increase credit, since step 7 is the highest step in the schedules in effect prior to the amendments by this bill. In order to remove any doubt on this matter, paragraph (3) applies only to employees who had not reached step 7. Also, in order to be equitable, paragraph (3) will not apply to those who are advanced to step 7 under paragraph (1). As indicated above in connection with section 105, substitutes whose positions are allocated to salary level PFS–5 as a distribution clerk in a railway or highway post office are to be given credit under such paragraph (3) for otherwise creditable service in step 4 and given the appropriate step increases at the time of conversion.

Thus, a new waiting period for the next step increase will be started on the date of conversion (1) for employees in the first four levels and rural carriers who are advanced to step 7 under paragraph (1); (2) for employees who are in step 7; and (3) for employees who are

advanced under paragraph (2) by reason of one or more longevity steps.

Section 108(b) provides rules for the adjustment of the rates of basic compensation for postmasters at post offices of the fourth class under the first schedule provided by section 104(a) of the bill which goes into effect on the first day of the first pay period which began on or after July 1, 1962.

Under paragraph (1), any change in receipts category or step which occurred on or before the effective date of the first schedule would be preserved and each postmaster then would be assigned to the receipts category and numerical step he was in prior to the effective date of the first schedule. Under paragraph (2) each postmaster who had not reached step 7 will retain credit for step-increase purposes provided no additional step was granted under paragraph (3) of section 108(b). Paragraph (3) grants one additional step for each longevity step earned by the postmaster prior to the effective date of the first schedule—the first day of the first pay period which began on or after July 1, 1962.

Section 108(c) provides that if the existing basic compensation of any postal field service employee is greater than the rate established under the conversion rules of subsection (a) or (b) of this section, he shall be placed in the first step of the new schedule which exceeds his existing basic compensation, or if the existing basic compensation is greater than any numerical step of the new schedule, his existing basic compensation shall be retained.

CONVERSION AS OF THE FIRST PAY PERIOD FOLLOWING JULY 1, 1963

Section 109 provides two rules for the adjustment of the rates of basic compensation of postal field service employees as of the first pay period following July 1, 1963. Under the rule in paragraph (1), each employee will be assigned to the same numerical step for his position which he had obtained prior to the effective date of the second schedule. Any changes in levels, receipts categories, or steps which would otherwise occur on the effective date of such second schedule will be deemed to have occurred prior to conversion. Under the rule in paragraph (2), if the existing basic compensation of an employee is greater than the rate to which the employee is converted under paragraph (1), the employee shall be placed in the lowest step which exceeds his basic compensation, or, if the existing basic compensation exceeds the maximum step of his position, his existing basic compensation shall be established as his basic compensation.

PROTECTED RATES

Section 110 provides that rates of compensation fixed for certain employees upon reduction in grade by reason of the provisions of section 3560 of title 39, United States Code, shall not be increased except as may be proper under sections 108(c) or 109(2) of the bill. Under such section 3560, employees who are receiving salary protection following a reduction in salary standing are entitled to the benefits of "each increase provided by law in such rate of basic salary." The salary plan involved in the new salary schedules contains basic structural changes for employees now under the various schedules.

The salaries of the employees in protected rates under such section 3560 of title 39, United States Code, will be converted under the rules specified by sections 108 and 109 but the purpose of section 110 is to nullify the requirement of section 3560 in this particular case so that the statutory increases provided by this bill will not increase the protected rates of such employees.

BASIC SALARY IN CASES OF ASSIGNMENTS OF POSTAL EMPLOYEES

Section 111(a) amends section 3335(b) of title 39, United States Code, to give the Postmaster General authority to waive the requirement contained in such section 3335(b) relating to a minimum of 30 days higher level service in each calendar year before higher level compensation may be paid. The amendment will permit the payment of the higher level compensation for those first 30 days of a calendar year. Section 3335(b) now permits the Postmaster General to assign a postal field service employee to higher level service and provides that when such employee is assigned for more than 30 days in a calendar year to the duties and responsibilities of a salary level which is higher than the salary level to which his position is assigned, the Postmaster General shall pay the higher level compensation for the period of the assignment in excess of 30 days.

The Comptroller General held on February 1, 1962, B–138999, that the language of section 3335(b) requires that a postal service employee must perform 30 days of higher level service each calendar year before he is entitled to higher level compensation for days in excess of the 30. The Post Office Department, which had been paying higher level compensation in certain assignments without regard to such 30-day requirement, suspended payment of compensation for performance of higher level service performed on and after February 17, 1962, unless the employee had completed 30 days of higher level service during the current calendar year.

Subsection (b) of section 111 of the bill will validate each payment of higher level compensation which was made prior to the date of enactment of this legislation for service performed for periods of 30 days or less in any calendar year by a postal service employee assigned to duties and responsibilities of the higher salary level, and which would have been authorized had this legislation been in effect when the service was performed.

Subsection (c) of section 111, will make subsection (a) effective as of February 17, 1962, the date on which the Post Office Department discontinued the prior practice. It is intended that this provision making subsection (a) effective as of February 17, 1962, will permit the Postmaster General to pay higher level compensation subject to the provisions of subsection (d) in the case of those employees who have qualified under the Department's regulations, but who have not received the higher level compensation by reason of the order which suspended such payments as of February 17, 1962.

The provisions of subsections (d) through (g) of section 111 are the usual "housekeeping provisions" included in legislation when retroactive compensation payments are authorized by law and, in addition to employees still on the rolls, relate primarily to employees who have entered the Armed Forces, or who have retired, or to survivors of such employees.

SALARY PROTECTION REVISION

Section 112(a) amends section 3560(a)(1), of title 39, United States Code. The existing provisions of paragraph (1) of such section 3560(a) exclude employees in PFS–17, 18, 19 and 20 from the benefits of salary protection provided by such section 3560. These employees are excluded from salary protection under existing law the same as are employees in grades GS–16, 17, and 18 under the Classification Act of 1949. Inasmuch as the exception for employees in grades GS–16, 17, and 18, to the salary retention benefits are removed by the provisions of section 205 of this bill, parallel treatment is afforded by the new paragraph (1) of section 3560(a), as amended by section 112(a) of the bill, to remove the exemption for employees in PFS–17, 18, 19, and 20.

Section 112(b) amends paragraph (4) of section 3560(b) of title 39, United States Code, to provide salary protection in cases where an employee has been promoted, or advanced, to a higher salary standing within the 2-year qualifying period. This amendment will remove an inconsistency from existing law and will make salary protection available for these employees. This inconsistency was the subject of the Comptroller General decision of March 6, 1962, B–148024.

Section 112(c) amends section 3560(c) of title 39, United States Code, by adding a new paragraph (C) to provide a method of determining the protected salary rate in the case of employees who have been promoted, or advanced, in salary standing within the 2-year period. Under this provision the protected rate is the rate which the employee would have obtained in the lowest salary standing held by him during the 2-year period augmented by each step increase which he would have earned in such salary standing and by each increase provided by law in such salary rate.

Paragraph (1) of section 112(d) provides that the amendments made by section 112 shall apply only with respect to reductions in salary standing occurring on, or after, the date of enactment of the bill. However, paragraph (2) validates payments made to employees prior to the effective date of this amendment which would have been authorized under section 3560 if the amendments made by this section 112 to subsections (b)(4), and (c) of such section 3560, had been in effect at the time the payments were made.

Section 112 will become effective on the date of enactment under the provisions of section 117 of the bill.

RULES FOR SPECIAL COMPENSATION

Section 113 adds a new section 3106 to title 39 of the United States Code. The new section 3106 provides two new compensation rules which will permit the Postmaster General:

(*a*) To grant step increases in recognition of extra competence in addition to the automatic step increases provided in 39 U.S.C. 3552 (only one such additional step increase may be granted in any 52-week period); and

(*b*) To appoint an employee at a salary rate above the minimum step of the level when the appointee has extra qualifications for the position, or when the minimum rate would be less than the current rate—private industry rate or Federal rate—of a well-qualified appointee.

The authority in the second rule—paragraph (b)—will provide, in effect, an exception to the provisions of 39 U.S.C. 3551(a), relating to the salary steps under the postal field service schedule to which certain persons may be assigned upon appointment.

CONFORMING AMENDMENTS

Section 114(a) makes a technical amendment to the table of contents of chapter 41 of title 39, United States Code, by adding a new heading, "3106. Special compensation rules.", to conform with the amendment made by section 113 of the bill.

Section 114(b) deletes the heading, "3558. Longevity step increases.", in the table of contents of chapter 45 of title 39, United States Code, since section 3558, relating to longevity step increases, is repealed by section 115 of the bill.

REPEALS

Section 115 repeals those provisions of sections 101 through 105 of the act of July 1, 1960 (Public Law 86–568), which contain salary increases for postal field service employees. The provisions of such sections 101 through 105 are either superseded or are reenacted as permanent provisions of title 39, United States Code, by the provisions of this bill. Section 115 also repeals the provisions of section 3558 of title 39, United States Code, relating to longevity step increases.

MAXIMUM HOURS OF WORK, COMPENSATORY TIME, OVERTIME, AND HOLIDAYS FOR SUBSTITUTE EMPLOYEES

Section 116 amends section (b) of 3575 of title 39, United States Code, so that substitute employees will be subject to the provisions of sections 3571 and 3573 of title 39, United States Code, relating respectively to minimum hours of work and compensatory time, overtime, and holidays. This section will become effective on the date of enactment of the bill under the provisions of section 117 of the bill.

EFFECTIVE DATES

Section 117 prescribes the effective dates of the various provisions of title I.

Title II—Pay System of the Classification Act of 1949

SHORT TITLE

Section 201 provides a short title for the provisions of title II of the bill—the "Classification Act Amendments of 1962."

BASIC COMPENSATION SCHEDULES

Section 202(a) amends section 603(b) of the Classification Act of 1949 to provide new compensation schedules for the general schedule—compensation schedule I and compensation schedule II. The new schedules increase the rates of basic compensation of employees subject to the Classification Act of 1949. Schedule I will be effective

from the first day of the first pay period which began on or after July 1, 1962, until the first day of the first pay period which begins on or after July 1, 1963. Schedule II will be effective thereafter.

The new schedules replace both the per annum rates and the longevity rates. In the present schedules, there are seven per annum rates in GS–1 through GS–10; six per annum rates in GS–11 through GS–14; five per annum rates in GS–15 through GS–17; and one per annum rate in GS–18. In addition, there are three longevity rates in grades GS–1 through GS–15.

In the new schedules, there will be 10 per annum rates replacing the old per annum rates and the longevity rates in grades GS–1 through GS–15. Also, the new schedules provide seven per annum rates for GS–16; four per annum rates for GS–17; and one per annum rate for GS–18.

CONVERSION AS OF THE FIRST PAY PERIOD FOLLOWING JULY 1, 1962

Section 202(b) sets forth rules for the adjustment of the rates of basic compensation of employees to whom section 202(a) applies to the new rates of basic compensation in the new compensation schedule I.

Paragraphs (1) through (6) of section 202(b) apply to each employee who is receiving basic compensation at one of the scheduled or longevity rates of a grade of the general schedule of the Classification Act of 1949, as amended. The employee will receive a new rate of basic compensation at a rate under compensation schedule I which corresponds to the scheduled rate, or the longevity rate, which the employee held prior to the conversion. Thus, an employee in the sixth rate of grade 12 prior to conversion, would be converted under paragraph (2) to the sixth rate of the new compensation schedule I, and an employee in the third longevity rate of Grade 12 would be converted to the ninth rate of new compensation schedule I. Paragraph (5) contains a special conversion rule for those employees who are in the fifth rate of grade 17 of the general schedule, to the effect that such employees will be converted to the fourth rate of new compensation schedule I, which will be the top rate for GS–17.

Paragraph (7) of section 202(b) applies to each employee who is receiving basic compensation immediately prior to the effective date of section 202, at a rate between two scheduled or two longevity rates, or at a rate between a scheduled rate and a longevity rate of a grade of the general schedule of the Classification Act of 1949, as amended. Such employee will receive a new rate of basic compensation at the higher of the two corresponding rates, as specified in paragraphs (1) through (5) of this subsection in effect on and after such effective date of section 202.

Paragraph (8) of section 202(b) applies to each employee who is receiving basic compensation immediately prior to the effective date of section 202, at a rate in excess of the maximum longevity rate of his grade, or at a rate in excess of the maximum scheduled rate of his grade if there is no longevity rate for his grade of the Classification Act of 1949, as amended. Such employee shall receive the rate of the new compensation schedule I prescribed by paragraphs (1) through (5) of section 202(b) for employees at the maximum longevity rate or at the maximum scheduled rate, as the case may be, for his grade, or, if such rate is less than his existing rate, the employee shall

receive the lowest rate of the new compensation schedule I for his grade which equals, or exceeds, his existing rate, and if there is no such rate he shall receive his existing rate.

Paragraph (9) of section 202(b) provides that service immediately prior to the effective date of the new compensation schedule I shall be counted toward not to exceed one step increase under the time-in-grade provisions of section 701(a) of the Classification Act of 1949, as amended by section 203 of this bill.

Paragraph (10) of section 202(b) applies to each officer or employee who is receiving immediately prior to the effective date of section 202, pursuant to paragraph (4) of section 2(b) of the Federal Employees Salary Increase Act of 1955, an existing aggregate rate of compensation, determined under section 208(b) of the act of September 1, 1954 (68 Stat. 1111; Public Law 763, 83d Cong.), plus the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, by section 2 of the Federal Employees Salary Increase Act of 1958, and by section 112 of the Federal Employees Salary Increase Act of 1960. Such officer or employee will receive an aggregate rate of compensation equal to the sum of (1) his existing aggregate rate of compensation determined under the savings provisions of section 208(b) of the act of September 1, 1954, referred to above, and (2) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, and (3) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1958, and (4) the amount of the increase provided by section 112 of the Federal Employees Salary Increase Act of 1960, and (5) the amount of the increase made by section 202 of this bill under compensation schedule I in the maximum rate of his grade. This rate will remain in effect for such officer or employee until he leaves his position or until he is entitled to receive aggregate compensation at a higher rate by reason of the operation of title II of the bill or any other law. However, when the position becomes vacant, the aggregate rate of compensation of any later appointee thereto will be fixed in accordance with applicable provisions of law. Paragraph (10) of section 202(b) also contains a provision to the effect that, subject to the possibility that any such officer or employee may leave his position or may become entitled to aggregate compensation at a higher rate, the amount of the increase provided by section 202 is to be held and considered, for the savings purposes of section 208(b) of the act of September 1, 1954, to constitute a part of the existing aggregate rate of compensation of the officer or employee.

Paragraph (11) of section 202(b) applies to each employee who became subject to the Classification Act of 1949 at any time during the period beginning on the first day of the first pay period which began on or after July 1, 1962, and ending on the date of enactment. Such employee shall have his basic compensation adjusted retroactively to the date on which he became subject to the act on the basis of the rate under compensation schedule I for that step of the appropriate grade which corresponds numerically to the step of the grade for such employee which was in effect at the time he became subject to the Classification Act of 1949.

Paragraph (12) provides that if the officer or employee on the rolls has had his rate of basic compensation established under authority of section 803 of the Classification Act of 1949, at any time during the

period beginning on September 1, 1954, and ending on the date of enactment of the bill, his rate shall be adjusted retroactively, as discussed below.

If his rate was established under authority of such section 803 after September 1, 1954, and prior to the effective date of section 202, such rate shall be adjusted retroactively on the basis of the rate for that step of the appropriate grade of the general schedule as set forth in section 202 of the bill which corresponds numerically to the step of the grade of the general schedule which was in effect for such officer or employee (without regard to this bill) as a result of such adjustment under section 803. This retroactive adjustment will be applicable to the period of time served by such officer or employee in a pay status under the Classification Act of 1949 in the position concerned on and after the effective date of section 202 and prior to the date of enactment of the bill.

If the rate of basic compensation of the officer or employee was established under such section 803 on or after the effective date of section 202 and prior to the date of enactment of the bill, his rate shall be adjusted retroactively, as hereinafter stated. For the period of time prior to the effective date of the establishment of his rate of basic compensation under such section 803, his rate will be adjusted on the basis of the rate of basic compensation which he was receiving during that period. For the period of time on and after the effective date of the establishment of his rate of basic compensation under such section 803, his rate shall be adjusted on the basis of the rate for that step of the appropriate grade of the general schedule as set forth in section 202 of the bill, which corresponds numerically to the step of the grade of the general schedule which was in effect for such officer or employee (without regard to this bill) as a result of such adjustment under such section 803. Such basic compensation adjusted under paragraph (12) shall be paid in accordance with such adjustment until the officer or employee leaves his position or until he is entitled to receive basic compensation at a higher rate by reason of the operation of any provision of the Classification Act of 1949, as amended. These adjustments apply to time in pay status.

Paragraph (13) provides that, if the officer or employee became subject to the Classification Act of 1949 at any time during the period beginning on September 1, 1954, and ending on the date of enactment of the bill, at a rate of basic compensation established under authority of section 803 of such act, his rate of basic compensation shall be adjusted retroactively on the basis of the rate for that step of the appropriate grade of the general schedule as set forth in section 202 of the bill, which corresponds numerically to the step of the grade of the general schedule in effect for such officer or employee (without regard to the bill) as a result of such adjustment under such section 803. This retroactive adjustment shall be applicable with respect to the period of time served by the officer or employee in a pay status under the Classification Act of 1949 in the position concerned on and after the effective date of section 202 and prior to the date of enactment of the bill. Such basic compensation so adjusted under paragraph (13) shall be paid in accordance with such adjustment until the officer or employee leaves his position or until he is entitled to receive basic compensation at a higher rate by reason of the operation of any provision of the Classification Act of 1949, as amended.

Paragraph (14) provides that, if the officer or employee, at any time during the period beginning on the effective date of section 202 of the bill and ending on the date of enactment of the bill, became subject to the Classification Act of 1949, at a rate of basic compensation fixed on the basis of a higher previously earned rate and above the minimum rate of the grade of the officer or employee, his rate of basic compensation shall be adjusted retroactively to the date on which he became subject to such act. Such retroactive adjustment shall be made on the basis of the rate for that step of the appropriate grade of the general schedule as set forth in section 202 of the bill which corresponds numerically to the step of the grade of the general schedule for such officer or employee which was in effect (without regard to the bill) at the time he became subject to the Classification Act of 1949 as in effect immediately prior to the effective date of section 202.

Paragraph (15) relates to certain officers and employees who transferred from the Classification Act of 1949 to a prevailing rate schedule. Paragraph (15) provides that any such officer or employee who has been transferred either with or without his position from the general schedule of the Classification Act of 1949 to a prevailing rate schedule and who otherwise falls within the purview of such paragraph (15) shall be paid basic compensation at a rate equal to the rate which he would have been receiving on the date of enactment of the bill if his transfer had not occurred until the day immediately following the date of enactment of the bill, for all time in a pay status on and after the effective date of section 202 in a position subject to a prevailing rate schedule under the circumstances set forth in paragraph (15).

CONVERSION AS OF THE FIRST PAY PERIOD FOLLOWING JULY 1, 1963

Section 202(c) sets forth rules for the adjustment of the rates of basic compensation of those employees to whom section 202(a) applies the new rates of basic compensation in the new compensation schedule II as of the first pay period in July 1963.

Paragraph (1) of section 202(c) applies to each employee who is receiving basic compensation at one of the rates of a grade of compensation schedule I of the Classification Act of 1949, as amended. Such employee will receive a rate of basic compensation under compensation schedule II at the corresponding rate in effect on and after such date.

Paragraph (2) of section 202(c) applies to each employee who is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after July 1, 1963, at a rate between two rates of a grade of compensation schedule I of the Classification Act of 1949, as amended. Such employee will receive a rate of basic compensation at the higher of the two corresponding rates under compensation schedule II in effect on and after such date.

Paragraph (3) of section 202(c) applies to each employee receiving compensation prior to the first day of the first pay period which begins on or after July 1, 1963, at a rate in excess of the maximum rate for his grade. Such employee shall receive the rate of the new compensation schedule II prescribed for employees at the maximum rate for his grade or his existing rate of basic compensation if such existing rate is higher.

Paragraph (4) of section 202(c) applies to certain employees who are receiving a saved rate of compensation pursuant to paragraph (4) of

section 2(b) of the Federal Employees Salary Increase Act of 1955. An explanation of this rule may be found in connection with the similar rule under paragraph (10) above relating to conversions as of July 1962.

STEP INCREASES

Section 203 amends title VII of the Classification Act of 1949, relating to within-grade advancements by step increases. Title VII currently provides two types of step increases: (1) periodic step increases under section 701, and (2) longevity step increases beyond the maximum rate of the grade under section 703. As amended by this bill, title VII provides for (1) periodic step increases under section 701, and (2) additional step increases to be granted in recognition of high quality performance under section 702. Longevity step increases are discontinued.

Section 701 under current law provides periodic step increases for employees below the maximum rate of a grade for each 52 calendar weeks of service if the amount of the step increase is less than $200, or for each 78 weeks of service if the employee's position is in a grade in which the step increase is $200 or more. As amended by section 203 of the bill, section 701(a) provides for periodic increases following: (1) the completion of 52 calendar weeks of service in each of the salary rates 1, 2, and 3, or (2) 104 calendar weeks of service in each of the salary rates 4, 5, and 6, or (3) 156 calendar weeks of service in each of the salary rates 7, 8, and 9. These periods of service apply regardless of the grade or the dollar amount of the salary increment.

The amendment authorizes the step increases subject to the following conditions: (A) that no equivalent increase in compensation from any cause was received during the applicable period; (B) that the employee's work is of an acceptable level of competence, as determined by the head of a department—as contrasted with the wording of existing law that the employee "has a current performance rating of 'satisfactory' or better"; and (C) that the benefit of successive step increases shall be preserved under appropriate regulations for employees whose service is interrupted by service in the Armed Forces or by service in essential non-Government civilian employment during a period of war or national emergency.

Subsection (b) of section 701, as amended by section 203, reenacts provisions similar to the provisions of existing subsection (b) of section 701, to the effect that any increase in compensation granted by law shall not be construed to be an equivalent increase in compensation for step increase purposes.

Section 702(a) of such title VII, as amended by section 203 of the bill, authorizes additional step increases in recognition of high quality performance above that ordinarily found in the type of position concerned. Such step increases will be in addition to those authorized under section 701, and shall not be construed to be an equivalent increase in compensation within the meaning of section 701.

The increases to be granted under such section 702 are limited under subsection (b) to not more than one additional step increase within any period of 52 weeks.

Section 703 of title VII, as amended by section 203 of the bill, reenacts the similar provisions of existing law contained in section 705 which, in effect, are repealed by this amendment. Such new section 703 provides that title VII shall not apply to persons appointed by

the President by and with the advice and consent of the Senate. Current provisions of law contained in sections 703 and 704 of the Classification Act of 1949, relating to longevity step increases, in effect are repealed by the amendment made by section 203 of the bill. Title VII currently does not have any section 702.

GENERAL COMPENSATION RULES

Section 204(a) amends section 801 of the Classification Act of 1949, which now requires that all appointments shall be made at the minimum rate of the appropriate grade. Such requirement would continue to be the general rule under section 801, as amended by this section 204(a). In addition, the amendment will permit appointments at rates above the minimum of the grade, under regulations prescribed by the U.S. Civil Service Commission, as follows: (1) individuals having extra qualifications for the position concerned may be appointed at such higher rates of a grade as the Commission may authorize for this purpose; and (2) a well-qualified individual whose salary, whether paid by the Federal Government or by a non-Federal entity, is above the minimum rate of the grade to which he would be appointed, and who otherwise would decline the appointment or take a reduction in income if the Government's offer is accepted, may be appointed a rate above the minimum, but such appointment could not be made at a rate higher than the lowest rate of the appropriate grade which equals, or exceeds, an appointee's salary rate immediately prior to appointment. The authorization is permissive in both categories (1) and (2) above.

Section 204(b) amends subsection (b) of section 802 of the Classification Act of 1949, relating to the rate of compensation to be received by an employee who is promoted to a higher grade.

Subsection (b) of section 802 as in effect prior to the effective date of this section provides that an employee upon promotion will receive a rate of compensation in the higher grade which exceeds his existing rate of basic compensation by not less than one step-increase of the grade from which promoted. The amendment to such subsection (b) of section 802 made by section 204(b) of the bill provides that when the employee is promoted he shall receive basic compensation at the lowest rate of the higher grade which exceeds his existing rate of compensation by not less than two step-increases of the grade from which promoted. In case any such employee is receiving basic compensation at a rate in excess of the maximum rate for his grade and there is no rate in the higher grade which is at least two step-increases above his existing rate of compensation, the employee will receive either the maximum rate of the higher grade or his existing rate of basic compensation if such existing rate is the higher.

In case any employee so promoted is receiving basic compensation at a rate saved to him under section 507 of the Classification Act of 1949 upon reduction in grade, the employee's existing rate of basic compensation for the purposes of such section 802(b) shall be the basic salary which the employee would have received except for the provisions of such section 507, or his existing rate of basic compensation if such rate is the higher.

Section 204(c) amends section 802 of the Classification Act of 1949, by adding a new subsection (d).

There is no present authority for saving the basic compensation of an employee who, together with his position, is brought under the Classification Act of 1949 from some other Federal pay system (such as the wage board system), when his salary is in excess of the maximum rate of the classification grade in which his position is placed.

The new subsection (d) added to such section 802 by section 204(c) of the bill would authorize the U.S. Civil Service Commission to issue regulations to permit the retention of salaries in such instances. The amendment also provides that if such an employee is demoted to a position in a lower grade under the Classification Act of 1949 his salary will be determined under section 507 of such act—relating to saved rates for employees upon demotion from one grade to another. The new subsection (d) also provides that the employee's service in the position which was brought under the Classification Act of 1949 shall be considered, for the purposes of computing time in grade under section 507, as service under such act.

Section 204(d) amends section 803 of the Classification Act of 1949, to provide that any employee in a position under such act, who regularly has the responsibility for supervision over employees whose compensation is fixed or adjusted from time to time by wage boards or similar administrative authorities, may be paid either at the rate of his grade which is above the highest rate of basic compensation being paid to any such prevailing rate employee regularly supervised, or at the maximum rate for his grade. The Civil Service Commission would be authorized to issue regulations for the payment of compensation under this amendment.

Existing provisions of law contained in section 803 of the Classification Act of 1949, relating to the establishment of rates above the minimum rate of a grade for certain areas or locations, are, in effect, repealed by this amendment, but new and more comprehensive provisions relating to this subject are contained in section 603 of the bill.

In order not to disturb the appointments that may have been made under section 803 as in effect prior to enactment of this legislation, this section 204(d) shall become effective on the date of enactment.

SALARY RETENTION

Section 205 amends section 507 of the Classification Act of 1949 relating to the retention of salaries when an employee is demoted to a lower grade.

The amendment in paragraph (1) extends application of the provisions of section 507 to employees in all grades of the Classification Act of 1949 by omitting the language of existing law which excludes application of the benefits to employees in grades GS–16, GS–17, and GS–18. The amendment in paragraph (2) strikes out "(B) in the same grade or in the same or higher grades;" in paragraph (4) of subsection (a) of such section 507 and inserts in lieu thereof "(B) in any grade or grades higher than the grade to which demoted;". This change in language will permit salary retention not now permitted under section 507 where there may have been a series of promotions followed by a demotion or a series of demotions.

INCREASE IN NUMBER OF TOP GRADE POSITIONS UNDER THE CLASSIFICATION ACT OF 1949

Section 206 amends section 505(b) of the Classification Act of 1949, relating to the limitation on the numbers of positions in grades 16, 17, and 18 of the general schedule, by increasing the aggregate number of such positions from 1,989 to 2,040.

EFFECTIVE DATES

Section 207 prescribes the dates on which the several provisions of title II shall become effective.

TITLE III—THE FOREIGN SERVICE ACT OF 1946

SHORT TITLE

Section 301 provides that title III may be cited as the "Foreign Service Salary Reform Act of 1962."

FOREIGN SERVICE OFFICERS

Section 302 amends the second, third, and fourth sentences of section 412 of the Foreign Service Act of 1946 to provide two increases in the per annum salary rates for career ambassador, career minister, and the eight classes of Foreign Service officers. The amendment provides for increases in two phases, the first to be effective from the first day of the first pay period which began on or after July 1, 1962, until the first day of the first pay period which begins on or after July 1, 1963. The second phase will be in effect thereafter.

No changes are made in the existing number of the eight classes of Foreign Service officers, but class 1 will have only two salary rates in place of the existing seven; classes 2 through 7 will continue to have seven rates; and class 8 will have seven rates in place of the existing eight.

FOREIGN SERVICE STAFF OFFICERS AND EMPLOYEES

Section 303 amends section 415 of the Foreign Service Act of 1946. The amendment revises the structure of the Foreign Service Staff salary schedule and embodies certain changes comparable to those made by title II of the bill to the general schedule under the Classification Act of 1949.

Section 415(a) as amended by section 303 of the bill prescribes two new schedules, the first to be effective from the first day of the first pay period which began on or after July 1, 1962, until the first day of the first pay period which begins on or after July 1, 1963. The second schedule will be effective thereafter.

There are at present 22 classes in the Foreign Service Staff schedule. The new schedules under the amendment provide only 10 classes and eliminate the unnecessary and seldom-used classes in the current schedule. The new 10-class schedules will provide a reasonable number of levels in relation to the duties and responsibilities which are carried out by staff personnel and, in addition, will provide a more adequate promotion ladder by reducing and consolidating, to a large extent, overlapping classes.

The schedule in existing law provides five rates for class 1 through class 4; six rates for class 5 through class 9; and seven rates for class 10 through class 22. Ten salary rates are proposed for each class. This will make possible within-class increases over a longer period of time for staff personnel in the upper class levels 1 through 9. The 10-rate salary schedules also will replace the present system of longevity rates for staff personnel contained in section 642(b) of the Foreign Service Act of 1946, which is repealed by section 305 of this bill.

Section 415(b) of the Foreign Service Act of 1946 as amended by section 303 of the bill, gives the Secretary of State authority to classify positions at levels below class 10 and to establish salary rates at lower rates than those prescribed by such section 415(a) for American employees recruited abroad who are not available or are not qualified for transfer to another post and who perform duties of a more routine nature than are generally performed at the class 10 level. This authority is necessary because of the elimination of the seldom-used classes in the current schedules below class 10.

CONVERSION

Section 304 provides the necessary rules for the conversion of Foreign Service personnel from their present class and salary rates to the class and salary rate established by the new schedules under section 302 of the bill.

Section 305 repeals subsection (b) of section 642 of the Foreign Service Act of 1946, relating to longevity salary increases for Foreign Service Staff officers and employees, and makes the technical conforming changes necessary in connection with such change.

EFFECTIVE DATE

Section 306 provides that the provisions of title III, except as otherwise expressly provided, shall become effective on the first day of the first pay period which began on or after July 1, 1962.

Title IV—Department of Medicine and Surgery in the Veterans' Administration

Section 401 amends section 4103 of title 38 of the United States Code. It reduces the maximum number of Assistant Chief Medical Directors from eight to five and modifies the provisions pertaining to directors of service and chiefs of division. In lieu of these positions, a new position level of Medical Director is established. The salaries of the Chief Medical Director, the Deputy Chief Medical Director, the Assistant Chief Medical Directors, the Director of Nursing Service, the Chief Pharmacist and Chief Dietitian are appropriately adjusted in line with other increases proposed by the bill. The statutory positions of the Deputy Director of Nursing Service, Chief Physical Therapist, and Chief Occupational Therapist are eliminated. The duties of the first-named position will be filled by a nurse of the Assistant Director grade. The salaries for the positions of Chief Physical Therapist and Chief Occupational Therapist will be set in the future under the Classification Act. Appropriate salary rates and schedules to be effective on the first day of the first pay period beginning on or after July 1, 1962, and July 1, 1963, are provided for the Chief Medical

Director, the Deputy Chief Medical Director, Assistant Chief Medical Directors, Medical Directors, the Director of Nursing Service, a Chief Pharmacist, and the Chief Dietitian. Subsection (h) of section 4103 of title 38, United States Code, as amended by section 401 of the bill, reenacts present provisions relating to appointments under such section 4103, so that (1) appointments shall be for a period of 4 years subject to removal by the Administrator of Veterans' Affairs for cause, and (2) that reappointments may be made for successive like periods, except as provided in new subsection (j).

The provisions of section 5, Public Law 87–574, relating to Director, Chaplain Service, in the Veterans' Administration are set forth in subsection (j) of section 4103 as amended by such section 401 of the bill.

Section 402 amends section 4107 of title 38, United States Code. In subsection (a) of such section 4107, the former schedules entitled "Medical Service" and "Dental Service" have been combined and retitled "Physician and Dentist Schedule." The existing schedules have provided identical grades and pay scales and their continued separation serves no purpose. The junior grade of the former schedules has been eliminated and, two new grades—the director grade and executive grade—have been established. The schedule now titled "Nursing Service" has been retitled "Nurse Schedule." Two new grades—the assistant director grade and chief grade—have been established, and the former grades of assistant director and senior grade have been retitled "senior grade" and "intermediate grade," respectively. The new grade of assistant director is intended to recognize the special responsibilities assigned a few individuals in the Nursing Service and will absorb the former statutory position of Deputy Director of Nursing Service. The chief grade will be used primarily for nurses who qualify for and are assigned in positions comparable to that of a chief nurse at one of the larger hospitals.

Subsection (a) of such section 4107, as amended by section 402 of the bill, also provides increase in compensation, in two increments, for the physician and dentists schedule and for the nurse schedule, the first increment to be effective on the first day of the first pay period which began on or after July 1, 1962, and the second increase to be effective in July 1963.

Subsection (b) of section 4107 of title 38 of the United States Code, as amended by section 402 of the bill, specifies the intended use of the two new grades—director and executive—in the physician and dentist schedule. It provides that no person may hold the director grade unless he is serving as a director of a hospital, domiciliary, center, or outpatient clinic (independent), and that no person may hold the executive grade unless he holds the position of chief of staff at a hospital, center, or outpatient clinic (independent), or the position of clinic director, outpatient clinic, or comparable position. The establishment of these two new grades obviates the situation in which individuals charged with the responsibility of entire hospital operations received less compensation than their subordinates.

Section 403(a) amends section 4108 of title 38, United States Code. The amendment, in effect, repeals the present provision providing for an allowance equal to 15 percent of the pay of persons rated as medical, surgical, or dental specialists, since the latitude which will

be afforded within the pay range of each grade will permit appropriate recognition of specially qualified individuals.

Subsection (b) of 4107 of title 38, United States Code, now in effect, has been redesignated, without change, as section 4108 by such section 403(a) of the bill for purpose of greater clarity and as a matter of drafting convenience. The amendments made by section 403 of the bill will supersede the amendments made to section 4108 by section 3, Public Law 87–574, even though the provisions of this bill will be retroactive as of the first day of the first pay period which began on or after July 1, 1962, a date prior to the date of enactment of Public Law 87–574, August 6, 1962.

Subsection (b) of section 403 is a perfecting amendment to the table of contents at the head of chapter 73 of title 38, United States Code, to reflect the change in the catchline of section 4108.

Section 404 amends subsection (b) of section 4111 of title 38, United States Code, to provide that the per annum salary rate of a director of a hospital, domiciliary, or center who is not a physician in the medical service shall not be less than the rate of salary he would receive if such service as a director had been as a physician in the director grade. Except with respect to change in rate of salary, subsection (b) does not affect the allocation of any such position to any grade of the Classification Act of 1949 or the application of the Performance Rating Act of 1950 to any individual. This section will become effective on the date of enactment of this bill.

Section 405 provides that title IV, except as otherwise expressly provided, shall become effective the first day of the first pay period which began on or after July 1, 1962.

Title V—Miscellaneous Salary Provisions

Section 501 increases the salary limitations contained in certain laws for certain scientific and professional positions to accord with the salary ranges of the general schedule of the Classification Act of 1949. In most cases, the salary range stated in the laws which are amended is $12,500 minimum and $19,000 maximum. The amendments proposed would tie the new minimum to the minimum rate of grade GS–16 and the maximum to the rate for grade GS–18 of the general schedule.

Except as provided by section 501 (f) the new rates starting in July 1962 will be $16,400 minimum and $20,315 maximum. Starting in July 1963 the new rates will be $19,125 minimum and $22,500 maximum—such maximum being fixed by reason of the ceiling limitations imposed on the Classification Act rates by section 506(a). However, under subsection 501 (f), the maximum for 30 positions of the National Aeronautics and Space Administration is specifically excluded from the limitations imposed by section 506(a) and is fixed at the rate for GS–18 which will go into effect in July 1963 or $24,500.

Subsection (c) amends section 4 of the act of May 29, 1959, relating to certain scientific and professional positions in the National Security Agency. Section 4 of such 1959 act now provides that the maximum rate for such positions will be the same as authorized by 10 U.S.C. 1581(b), but has a further limitation contained in the quoted language which is omitted by the amendment made under section 502(b). This amendment will assure that the maximum salary rates for scientific and professional positions in the Department of Defense will

(a) Within the limit of available appropriations, grant to any officer or employee before the expiration of the periods prescribed by section 3552, step-increases in recognition of extra competence: Provided, That no officer or employee shall be eligible under this section for more than one such additional step-increase within any period of fifty-two weeks, and such increase shall not be considered to be an equivalent increase.

(b) Appoint any officer or employee at a salary rate above the minimum step of the level when the appointee has extra qualifications for the position or the minimum rate would be less than the current salary of a well-qualified appointee.

SPECIAL CLASSES OF EMPLOYEES

§ 3111. Residence of postal transportation clerks

Clerks appointed to the Postal Transportation Service to perform duty on railway post offices shall reside at some point on the route to which they are assigned unless they are authorized by the Postmaster General to reside at some other convenient point.

§ 3112. Inspectors may administer oaths

Postal inspectors may administer oaths required or authorized by law or regulation with respect to any matter coming before them in the performance of their official duties.

§ 3113. Rural carriers to furnish equipment

Rural carriers shall furnish, for prompt handling of the mail, necessary vehicles and such other equipment as the Postmaster General requires.

§ 3114. Rural carriers not to carry merchandise

Rural carriers may not solicit business or receive orders for any person. The Postmaster General may permit them to carry merchandise for hire during their hours of duty for and at the request of patrons residing on their routes.

§ 3115. Special delivery messengers as employees or carriers

(a) A person temporarily employed to deliver special delivery mail is deemed an employee of the postal service, and is subject to the provisions of chapter 83 of title 18 to the same extent as other employees of the Department.

(b) Any person, when engaged in carrying special delivery mail under contract with the Department, or employed by the Department, is deemed a carrier or person entrusted with the mail and having custody thereof, within the meaning of sections 1701, 1708, and 2114 of title 18.

§ 3116. Uniforms and badges

(a) The Postmaster General may prescribe a uniform dress to be worn by letter carriers.

(b) The Postmaster General may not require employees in the Postal Transportation Service to wear any uniform other than cap or badge.

CHAPTER 43—APPOINTMENT AND ASSIGNMENT OF FIELD SERVICE EMPLOYEES

* * * * * * *

ASSIGNMENT AND TRANSFER OF EMPLOYEES

* * * * * * *

§ 3335. Dual employment and extra duties

(a) * * *

(b) As the needs of the service require, the Postmaster General may assign an employee from time to time to perform, without change in compensation, duties, and responsibilities, other than the duties and responsibilities specifically set forth in his position description. If an employee is assigned for more than thirty days in a calendar year to duties and responsibilities of a salary level which is higher than the salary level to which his position is assigned, except to perform service in a relief capacity for a supervisor granted compensatory time pursuant to section 3573 of this title, the Postmaster General shall pay for the period of his assignment in excess of thirty days, a basic salary computed in accordance with the provisions of section 3559 of this title. *The Postmaster General may pay, as he deems advisable, in cases of such assignments, a basic salary computed in accordance with the provisions of such section 3559 without regard to the requirement in this subsection of assignment for more than thirty days in a calendar year.*

* * * * * * *

CHAPTER 45—COMPENSATION IN THE POSTAL FIELD SERVICE

POSITIONS

Sec.

3501. Ranking of positions.
3502. Appeals to Civil Service Commission.
3511. Key positions.
3512. Positions in salary level 1.
3513. Positions in salary level 2.
3514. Positions in salary level 3.
3515. Positions in salary level 4.
3516. Positions in salary level 5.
3517. Positions in salary level 6.
3518. Positions in salary level 7.
3519. Positions in salary level 8.
3520. Positions in salary level 9.
3521. Positions in salary level 10.
3522. Positions in salary level 11.
3523. Positions in salary level 12.
3524. Positions in salary level 13.
3525. Positions in salary level 14.
3526. Positions in salary level 15.
3527. Positions in salary level 16.
3528. Positions in salary level 17.
3529. Positions in salary level 18.
3530. Positions in salary level 19.
3531. Positions in salary level 20.

COMPENSATION AND ALLOWANCES

3541. Pay periods and computation of rates.
3542. Postal Field Service Schedule.
3543. Rural Carrier Schedule.
3544. Fourth Class Office Schedule.

apply to the similar positions in the National Security Agency of the Department of Defense.

Subsection (d) amends the proviso in the first sentence of section 208(g) of the Public Health Service Act, as amended, which relates to compensation rates of certain scientific, professional, and administrative personnel in the Public Health Service to provide a minimum rate of grade GS–16 and a maximum at the rate of grade GS–18.

Subsection (e) establishes a maximum rate, equivalent to the pay of grade GS–18 for five positions of technical experts and scientists in the Department of Agriculture engaged in research and study of foot-and-mouth and other animal diseases.

Subsection (f) amends section 203(b)(2) of the National Aeronautics and Space Act of 1958 to provide that the Administrator may fix the rates for certain excepted positions at not to exceed the pay of grade GS–18 of the Classification Act of 1949. For 30 of these positions, which now may be paid up to $21,000, the Administrator may, as of the effective date of this section, pay up to the rate established for grade GS–18 which will be effective under the bill as of July 1963 without regard to the salary ceiling provided by section 506(a) for title II of the bill.

Subsection (g) amends the proviso in section 161d. of the Atomic Energy Act of 1954 to permit the fixing of salaries of scientific and technical personnel up to a limit of the rate for grade 18 of the general schedule of the Classification Act of 1949.

Subsection (h) amends section 302(f) of the Federal Aviation Act of 1958 to permit the Administrator of the Federal Aviation Agency to fix the compensation of certain positions up to a limit of the rate for grade GS–18 of the general schedule of the Classification Act of 1949.

Subsection (i) amends section 2 of the act of June 14, 1948, to permit the fixing of compensation for the U.S. representative and alternate on the Executive Board of the World Health Organization at one of the rates provided by section 412 of the Foreign Service Act of 1946, which is amended by section 302 of the bill. Under existing law, such representative may receive compensation at a rate not to exceed $12,000 per annum, and the alternate not to exceed $10,000 per annum.

AGRICULTURE STABILIZATION AND CONSERVATION COUNTY COMMITTEE EMPLOYEES

Section 502 provides for increases in the rates of basic compensation of persons employed by the county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590(h)(b)). The increases for the agriculture stabilization and county committee employees shall be in two increments and correspond, as nearly as possible, to the increases provided by title II of the bill for employees subject to the Classification Act of 1949.

EMPLOYEES IN THE JUDICIAL BRANCH

Section 503(a) provides increases in the rates of basic compensation of officers and employees in the judicial branch of the Government. The rates for these employees will be increased in two increments, the first, in July 1962, and the second, in July 1963. The increases

will reflect the respective applicable increases provided by title II of the bill for employees subject to the Classification Act of 1949. In respect to the specific employees affected by this section, reference is made to the discussion in connection with the Federal Employees Salary Increase Act of 1960, Public Law 86–568, contained on page 20 of House Report No. 1636, 86th Congress.

Section 503(b) provides two comparable increases in the compensation of secretaries and law clerks of circuit and district judges.

Section 503(c) amends section 753(e) of title 28 of the United States Code to increase the maximum limitation on the annual compensation of court reporters for district courts by two increases comparable with the increases provided in title II of this bill. The existing limitation is $7,630, which will be increased in two increments to reflect the respective applicable increases provided by title II of the bill and corresponding rates of compensation for employees subject to the Classification Act of 1949.

OFFICERS AND EMPLOYEES IN THE LEGISLATIVE BRANCH

Section 504(a) provides for increases in the compensation of legislative officers and employees whose rates of compensation are increased by section 5 of the Federal Employees Pay Act of 1946. Section 504(a) covers each officer or employee whose aggregate (gross) rate of compensation comprises a rate of basic compensation fixed in accordance with law or resolution plus additional compensation provided by the respective applicable salary increase acts or resolutions enacted or adopted during or since 1946. Each increase in compensation provided for by section 504(a) consists of an aggregate amount determined in accordance with applicable rules set forth in section 504(d). This aggregate amount of increase in gross rate of compensation is to be payable in two equal increments. The first increment is to become effective as of the first day of the first pay period which began on or after July 1, 1962. The second increment is to become effective on the first day of the first pay period which begins on or after July 1, 1963. Officers and employees covered by section 504(a) are not within the purview of section 504(b) or 504(c).

Section 504(b) provides for increases in the total annual compensation of certain officers and employees of the House of Representatives not covered by section 504(a) or 504(c).

Section 504(b) provides, in effect, that the total annual compensation of each officer or employee of the House of Representatives, whose compensation is disbursed by the Clerk of the House of Representatives, but is not increased automatically, and is not permitted to be increased administratively, by any other provision of section 504, shall be increased by an aggregate amount determined in accordance with applicable rules set forth in section 504(d). This aggregate amount of increase in total annual compensation is to be payable in two equal increments. The first increment is to become effective as of the first day of the first pay period which began on or after July 1, 1962. The second increment is to become effective on the first day of the first pay period which begins on or after July 1, 1963.

Section 504(b) covers the following officers and employees of the House of Representatives:

(1) The Parliamentarian of the House of Representatives, whose total rate of per annum compensation is now prescribed

by House Resolution 339, 84th Congress, section 103 of the Legislative Branch Appropriation Act, 1957 (70 Stat. 370; Public Law 624, 84th Cong.), and section 117(g) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 304; Public Law 86–568);

(2) The Assistant Parliamentarian No. 1 of the House of Representatives, whose total rate of per annum compensation is now prescribed by the authority of law set forth above with respect to the House Parliamentarian;

(3) The following elected officers of the House of Representatives, whose total rates of per annum compensation are now prescribed by House Resolution 486, 84th Congress, section 103 of the Legislative Branch Appropriation Act, 1957 (70 Stat. 370; Public Law 624, 84th Cong.), section 4(k) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 209; Public Law 85–462), and section 117(g) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 304; Public Law 86–568): the Clerk of the House, the Sergeant at Arms of the House, the Doorkeeper of the House, and the Postmaster of the House;

(4) The chief of staff of the Joint Committee on Internal Revenue Taxation, whose total per annum compensation is now prescribed under authority of section 302(c) of the act of October 4, 1961 (75 Stat. 793; Public Law 87–367);

(5) The legislative counsel of the House of Representatives, whose total per annum compensation is now fixed in accordance with a provision relating to the legislative counsel of the Senate in the Legislative Branch Appropriation Act, 1958 (71 Stat. 251; Public Law 85–75) (as modified by secs. 4(c) and 4(m) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 208 and 209; Public Law 85–462)), and section 117(g) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 304; Public Law 86–568);

(6) The coordinator of information of the House of Representatives, whose total per annum compensation is now fixed under House Resolution 183, 80th Congress, section 105 of the Legislative Branch Appropriation Act, 1948 (61 Stat. 377; Public Law 197, 80th Cong.), section 2(e) of the act of October 24, 1951 (65 Stat. 612; Public Law 201, 82d Cong.), section 4(c) of the Federal Employees Salary Increase Act of 1955 (69 Stat. 176; Public Law 94, 84th Cong.), section 4(l) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 209; Public Law 85–462), and section 117(g) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 304; Public Law 86–568);

(7) Two printing clerks, one for the majority caucus room and one for the minority caucus room, whose total per annum compensation is now provided for on a present incumbency basis in the paragraph under the heading "House of Representatives" and the subheading "Special and Minority Employees" in the Legislative Branch Appropriation Act, 1958 (71 Stat. 247; Public Law 85–75), as modified by a comparable provision in each annual appropriation act for the legislative branch, the latest such provision currently being the paragraph under the heading "House of Representatives" and the subheading "Special and Minority

Employees" in the Legislative Branch Appropriation Act, 1962 (75 Stat. 325; Public Law 87–130);

(8) Four minority employees of the House in positions referred to in House Resolution 486, 84th Congress, whose total per annum compensation is now fixed under such resolution and section 103 of the Legislative Branch Appropriation Act, 1957 (70 Stat. 370; Public Law 624, 84th Cong.), section 4(r) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 209; Public Law 85–462), and section 117(g) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 304; Public Law 86–568).

The above list of officers and employees within the purview of section 504(b) is not necessarily all-inclusive.

It may be noted, in connection with House officers and employees in the categories covered by section 504(b), that three employees in comparable categories are granted increases in compensation under section 504(a) rather than 504(b). These employees are as follows:

(1) The Chaplain of the House of Representatives, whose present rate of total per annum compensation consists of a per annum basic rate prescribed by section 6 of the Legislative Appropriation Act, 1956 (69 Stat. 508; Public Law 242, 84th Cong.), and additional compensation provided by the various pay increase laws covering legislative branch employees generally, including section 117(a) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 303; Public Law 86–568);

(2) The Assistant Parliamentarian No. 2 of the House of Representatives whose present rate of total per annum compensation consists of a per annum basic rate provided by House Resolution 277, 82d Congress, and section 277 of the Legislative Branch Appropriation Act, 1953 (66 Stat. 478; Public Law 471, 82d Cong.), and additional compensation provided by the various pay increase laws covering legislative branch employees generally, excluding the Federal Employees Salary Increase Act of 1958 but including section 117(a) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 303; Public Law 86–568);

(3) The clerk to the House Parliamentarian, whose present rate of total per annum compensation consists of a per annum basic rate fixed under House Resolution 486, 85th Congress, and section 103 of the Legislative Branch Appropriation Act, 1959 (72 Stat. 453; Public Law 85–570), and additional compensation provided by the various pay increase laws covering legislative branch employees generally, excluding the Federal Employees Salary Increase Act of 1958 but including section 117(a) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 303; Public Law 86–568).

Section 504(c) increases the maximum limitations on the compensation of House folding room employees. The annual appropriation acts for the legislative branch, in making appropriations for each fiscal year for folding speeches and pamphlets for the House of Representatives, have provided for two kinds of limitations with respect to the payment of compensation for such folding activities. These limitations are on the gross rate payable per thousand of matter folded

for the House and on the gross rate payable per hour to each person engaged in such folding activities for the House.

For example, the pertinent provision of the Legislative Branch Appropriation Act, 1962 (75 Stat. 327; Public Law 87–130), which covers the fiscal year ending June 30, 1962, is as follows with respect to the House:

FOLDING DOCUMENTS

> For folding speeches and pamphlets, at a gross rate not exceeding $2.54 per thousand or for the employment of personnel at a gross rate not exceeding $1.91 per hour per person, $236,500.

Section 504(c) increases in two equal increments the limitations on gross rate per thousand and gross rate per hour per person contained in those provisions of applicable law on the effective date of section 504 which govern the folding of speeches and pamphlets for the House of Representatives. The aggregate increase in each such limitation is in an amount which is the same percentage of that limitation as that percentage which the aggregate amount of the increases provided by title II of this bill in the rate of basic compensation for the fourth step of grade 6 of the general schedule of the Classification Act of 1949, as amended, is of the rate of basic compensation for such fourth step immediately prior to the first of those increases so provided by such title II.

The aggregate amount of the increase in each such limitation is to be payable in two equal increments. The first increment is to become effective as of the first day of the first pay period which began on or after July 1, 1962. The second increment is to become effective on the first day of the first pay period which begins on or after July 1, 1963.

In effect, section 504(c) increases existing limitations in applicable law with respect to the compensation of House folding room employees. These increases in such limitations do not constitute automatic increases in the respective rates of compensation of House folding room employees but such increases will permit the appropriate adjustment of such rates in accordance with the new limitations by the exercise of administrative authority.

Section 504(c) further provides that the amount of the increase in each of the two limitations shall be computed to the nearest cent, counting one-half cent and over as a whole cent. An example of the manner in which this provision will operate is contained on page 29 of House Report 1636, 86th Congress.

Section 504(d) sets forth rules for determining the aggregate amount of each increase under sections 504(a) and 504(b), as applicable.

These rules, as stated in the bill, are as follows:

> (1) If the gross rate of compensation or the total annual compensation is less than the minimum scheduled rate of grade 7 of the general schedule of the Classification Act of 1949, as amended, as in effect immediately prior to the effective date of section 504, the aggregate amount of the increases in such gross rate of compensation or such total annual compensation shall be an amount which is the same percentage of such gross rate of compensation or such total annual compensation as that percentage which the aggregate amount of the increases provided by title II of this

bill in the rate of basic compensation for the fourth step of grade 6 of such schedule is of the rate of basic compensation for such step immediately prior to the first of such increases.

(2) If the gross rate of compensation or the total annual compensation of the officer or employee concerned is—

(A) equal to or greater than the minimum scheduled rate of grade 7 of such schedule as in effect immediately prior to the effective date of section 504,

but—

(B) is less than the minimum scheduled rate of the next higher grade of such schedule immediately prior to such date,

and if rules (3) and (4) are not applicable, the aggregate amount of the increases in such gross rate of compensation or such total annual compensation shall be an amount which is the same percentage of such gross rate of compensation or such total annual compensation as that percentage which the aggregate amount of the increases provided by title II of this bill in the rate of basic compensation for the fourth step of the applicable grade within the purview of subparagraph (A) of this rule (2) is of the rate of basic compensation for such step immediately prior to the first of such increases.

(3) If the gross rate of compensation or the total annual compensation is equal to or greater than the minimum scheduled rate of grade 11, but less than the minimum scheduled rate of grade 13, of such schedule as in effect immediately prior to the effective date of section 504, the aggregate amount of the increases in such gross rate of compensation or such total annual compensation shall be an amount which is the same percentage of such gross rate of compensation or such total annual compensation as that percentage which the aggregate amount of the increases provided by title II of this bill in the rate of basic compensation for the fourth step of grade 12 of such schedule is of the rate of basic compensation for such step immediately prior to the first of such increases.

(4) If the gross rate of compensation or the total annual compensation is equal to or greater than the minimum scheduled rate of grade 17 of such schedule as in effect immediately prior to the effective date of section 504, the aggregate amount of the increases in such gross rate of compensation or such total annual compensation shall be an amount which is the same percentage of such gross rate of compensation or such total annual compensation as that percentage which the aggregate amount of the increases provided by title II of this bill in the rate of basic compensation for the fourth step of such grade 17 is of the rate of basic compensation for such step immediately prior to the first of such increases.

In effect, the application and operation of the rules set forth in section 504(d) provide for officers and employees in the legislative branch increases in compensation which correspond generally to the increases in compensation provided by title II of the bill for officers and employees subject to the Classification Act of 1949, as amended.

Section 504(e) provides that all percentages determined in computing increases under section 504 shall be rounded to the nearest one-half percent. This computation requirement contained in section 504(e), together with the application and operation of the appropriate

rules contained in section 504(d), and the requirement that the increases be payable in two equal increments, will operate to preserve, to the maximum extent possible, the compensation relationships of legislative officers and employees in effect prior to the application of the increases provided by section 504 of this bill.

Section 504(f) provides that the additional compensation provided by section 504 shall be considered a part of basic compensation for purposes of the Civil Service Retirement Act (5 U.S.C. 2251 and following). Such additional compensation, therefore, will be subject to retirement deductions.

Section 504(f) is necessary to remove any inference that such deductions may not be made. Such inference might result from language contained in section 1(d) of the Civil Service Retirement Act (5 U.S.C. 2251(d)) to the effect that—

> * * * the term "basic salary" shall not include * * * compensation given in addition to the base pay of the position as fixed by law or regulation * * *.

The aggregate rate of annual compensation of many individuals in the legislative branch consists of a basic rate, plus a series of amounts which are provided by various pay acts and resolutions and are often referred to as "additional compensation." Section 4(i) of the Federal Employees Salary Increase Act of 1955 (69 Stat. 178; Public Law 94, 84th Cong.), which provided that amounts of "additional compensation" provided for legislative employees by section 4(a) of such act and by other pay-increase laws, restated and clarified the view that "additional compensation" of legislative employees is "base pay" for retirement purposes and, therefore, is subject to retirement deductions. Section 4(g) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 208; Public Law 85–426) reaffirmed this policy with respect to the additional compensation provided for officers and employees in the legislative branch by section 4 of that act. Section 117(i) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 304; Public Law 86–568) reaffirmed this policy with respect to the additional compensation provided for officers and employees in the legislative branch by section 117 of that act. In like manner, section 504(f) of this bill reaffirms this policy with respect to the additional compensation provided by such section 504.

Additional observations may be made with respect to the operation of section 504 of this bill.

Section 506(b) of this bill imposes a ceiling on the gross rate of compensation (basic compensation plus additional compensation authorized by law), and on the total annual compensation, which may be paid to officers and employees in the legislative branch within the purview of section 504 of this bill. Such section 506(b) provides, in effect, that such compensation shall not exceed an amount which is $500 less than the smaller of the two amounts set forth in section 601(a) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 31), that is, such compensation may not exceed $22,000 (an amount which is $500 less than the annual salary of a Member of Congress). This salary ceiling applies to legislative officers and employees within the purview of section 504(a) or section 504(b) of this bill.

In this connection it may be noted that an additional ceiling on the gross rate of compensation (basic compensation plus additional compensation authorized by law) currently is applicable with respect to those legislative officers and employees within the purview of section 504(a) (but not those legislative officers and employees within the purview of sec. 504(b)) of this bill. Section 2(b) of the act of October 24, 1951 (Public Law 201, 82d Cong.), as amended by section 4(b) of the Federal Employees Salary Increase Act of 1955, provides in pertinent part that—

> * * * no officer or employee of the Senate or House of Representatives shall be paid with respect to any pay period basic compensation or basic compensation plus additional compensation at a rate in excess of the highest per annum rate of compensation paid under authority of the Classification Act of 1949, as amended, unless expressly authorized by law * * *.

As a result of the operation of these two ceiling provisions with respect to legislative officers and employees within the purview of section 504(a) of this bill, such officers and employees will be paid per annum compensation at a gross rate of not to exceed the amount determined under 506(b) of the bill (that is, not to exceed $22,000 under the initial operation of this bill), or not to exceed the amount determined under section 2(b) of the act of October 24, 1951, set forth in pertinent part above (that is, not to exceed the highest per annum rate of compensation paid under the Classification Act of 1949, as amended—currently $18,500 under existing law and $20,315 under the initial operation of this bill), whichever ceiling amount is the smaller.

In effect, therefore, legislative officers and employees subject to section 504(a) of this bill are subject to two salary ceilings—the ceiling amount provided for by section 2(b) of the act of October 24, 1951, as amended, or the ceiling amount provided for by section 506(b) of this bill, whichever ceiling amount is the smaller amount at the time.

It should be observed that the ceiling amount provided for under section 2(b) of the act of October 24, 1951, as amended, and the ceiling amount provided for under section 506(b) of this bill are not fixed amounts which are not subject to change. Each of these amounts automatically will be increased or decreased appropriately whenever a corresponding increase or decrease occurs in the ceiling amount provided for under section 2(b) of such act of October 24, 1951, as amended, or in the ceiling amount provided for under section 506(b) of this bill, as applicable. For example, whenever an increase occurs in the highest per annum rate of compensation paid under the Classification Act of 1949, as amended, the ceiling amount provided for under such section 2(b) applicable to legislative officers and employees under section 504(a) of this bill automatically will be increased appropriately. In like manner, whenever the annual salary of a Member of Congress is increased in the future, the ceiling amount provided for under section 506(b) of this bill automatically will be increased appropriately.

Also, it should be observed that legislative officers and employees within the purview of section 504(b) of this bill will be subject only to the ceiling provided for by section 506(b) of this bill—that is, sub-

ject only to a ceiling consisting of an amount which does not exceed $500 less than the salary of a Member of Congress. The initial ceiling amount under such section 506(b) is $22,000. However, as stated above, this ceiling amount automatically will be adjusted appropriately to a higher figure whenever the salaries of Members of Congress are increased.

Moreover, it should be observed that the increases provided for by section 504 (a) and (b) of this bill are amounts which are determined under the applicable rules set forth in section 504(d). These applicable rules, therefore, and the amounts of salary determined under such applicable rules will be a part of the permanent salary formulas applicable to legislative officers and employees within the purview of sections 504(a) and 504(b) of this bill. In addition, if at any time an increase or decrease in any rate of basic compensation is accomplished by appropriate administrative action, these applicable rules set forth in such section 504(d) will be effective and operative (in the same manner as other applicable portions of such permanent salary formulas) with respect to the new rate of basic compensation resulting from such increase or decrease.

AUTHORITY FOR RETROACTIVE SALARY INCREASES IN ADMINISTRATIVE RATES

Section 505 permits the granting of retroactive salary increases, which correspond to increases otherwise provided for by the bill, for those officers and employees whose rates of compensation or salary are normally set by administrative action pursuant to law. This section does not apply, however, to rates fixed in accordance with prevailing rates or practices. This section, moreover, does not affect any authority in existing law to fix compensation or salary by administrative action.

Subsection (a) of section 505 permits those rates of compensation of officers and employees of the Federal Government and the municipal government of the District of Columbia, which are fixed by administrative action pursuant to law and which are not otherwise increased by the bill, to be increased retroactively by amounts not to exceed the increases provided by the bill for corresponding rates of compensation in the appropriate schedule or scale of pay.

Subsection (b) of section 505 provides that nothing in section 505 shall be construed to authorize any increase in the rates of compensation of officers and employees whose rates of compensation are fixed and adjusted from time to time as nearly as is consistent with the public interest in accordance with prevailing rates and practices.

Subsection (c) of section 505 provides that nothing in section 505 shall affect any authority under any law pursuant to which rates of compensation may be fixed by administrative action.

SALARY CEILINGS

Section 506(a) establishes a maximum limitation on the rate of basic compensation that may be received by any employee subject to title I (relating to postal field service employees) or title II (relating to Classification Act employees) which shall not exceed the smaller of the two amounts set forth in section 601(a) of the Legislative Reor-

ganization Act of 1946, as amended. Under this amendment, the maximum rate will be $22,500.

Section 506(b) establishes a maximum limitation on the gross rate of compensation (basic compensation plus additional compensation authorized by law), or the total annual compensation, as the case may be, of each officer or employee in the legislative branch who may otherwise receive an increase under section 504 of the bill, which is $500 less than the smaller of the two amounts set forth in section 601(a) of the Legislative Reorganization Act of 1946, as amended. The maximum rate specified by this language currently is $22,000.

Any change by legislation in the amounts set forth in such section 601(a) would automatically change the ceiling limitation specified in subsections (a) and (b) of this section 506.

PROVISIONS RELATING TO RETROACTIVE COMPENSATION OR SALARY

Section 507(a) specifies the classes of persons entitled to receive payment of the amount of any increase in compensation or salary payable under authority of the bill for retroactive periods of service. The retroactive compensation shall be paid only in the case of an individual on an employment roll in the service of the United States (including service in the Armed Forces of the United States), or of the municipal government of the District of Columbia, on the date of enactment of the bill. The bill further provides that such retroactive compensation of salary shall be paid: (1) to an employee who retired during the retroactive period for services rendered during such period; and (2) in accordance with the act of August 3, 1950, for services rendered during the retroactive period by an employee who dies during tha period.

Section 507(b) provides that the retroactive payments of compensation under subsection (a) of this section shall not be considered as basic salary for any retirement purposes in the case of any retired or deceased individual described in subparagraphs (1) or (2) of subsection (a) of section 507 of the bill.

Section 507(c) provides that service in the Armed Forces of the United States shall include the period provided by law for the mandatory restoration of such individual to a position, in the case of individuals relieved from training and service in the Armed Forces of the United States, or discharged from hospitalization following such training and service.

Section 507(d) provides that the retroactive increases in basic compensation paid pursuant to subsection (a) of this section 507 shall not be considered compensation for purposes of the Federal Employees Group Life Insurance Act of 1954.

SAVINGS PROVISION

Section 508 is a savings provision which prohibits any rate of basic, gross, or total annual compensation or salary from being reduced by reason of the enactment of this bill.

EFFECTIVE DATE

Section 509 provides that except as otherwise expressly provided in this title, this title shall become effective as of the first day of the first pay period which began on or after July 1, 1962.

TITLE VI—GENERAL POLICY

FINDINGS AND DECLARATION OF POLICY

Section 601(a) provides that the Congress hereby finds that (1) the primary purpose and function of an effective salary system for the Federal Government is the establishment and adjustment of rates of salary for services rendered by Federal employees in such a manner as to make possible the employment of persons well qualified to conduct the programs of the Federal Government, to control expenditures of public funds for personal services with equity to the employee and to the taxpayer, and that (2) the successful accomplishment of such purpose and function is essential to the development and maintenance of maximum proficiency in the civilian service of the Federal Government.

Section 601(b) declares that it is the policy of the Congress and the purpose of this bill to reform the respective salary systems for the Federal Government in a manner which applies three basic principles with respect to the establishment and adjustment of Federal salaries:

(1) There shall be equal pay for substantially equal work, and pay distinctions shall be maintained in keeping with work and performance distinctions;

(2) Federal salary rates shall be comparable with private enterprise salary rates for the same levels of work; and

(3) Salary levels for the respective Federal statutory salary systems shall be interrelated and shall be set and adjusted in accordance with the policy and purpose of this bill.

COMMITTEE ON FEDERAL PAY

Section 602 provides that the President shall appoint a Committee on Federal Pay which shall (1) review the various statutory pay systems of the Federal Government with a view to ascertaining what changes may be necessary or desirable in the interests of efficiency, equity, and economy; (2) review the rates in effect under such systems with a view to ascertaining the adequacy thereof in comparison with pay rates in private industry for positions having comparable levels of duties and responsibilities on the basis of annual surveys of the Bureau of Labor Statistics, Department of Labor; and (3) report to the President the results of such reviews together with such recommendations for necessary adjustments in statutory pay schedules or other improvements in the Federal salary structure as the Committee deems desirable.

The section also requires the President to submit to the Congress on or before March 1 of each year a report summarizing the findings of the Committee together with his recommendations for such adjustments as is necessary to maintain Federal salary schedules in accord with the basic principles established by section 601.

ESTABLISHMENT OF MINIMUM COMPENSATION RATES FOR CERTAIN OCCUPATIONS IN CERTAIN AREAS

Section 603 provides that whenever the President or his designee finds that the salary rates in private enterprise for an occupation in any particular location are so substantially above the salary rates of

Federal statutory pay schedules as to handicap significantly the Government in recruiting and retaining well qualified persons in positions paid under any of the four pay systems of the executive branch covered by this bill, the President, or his designee, may establish for such location higher minimum rates of basic compensation. Corresponding increases may be made in all step rates in the salary range for the applicable grade or level; however, the minimum salary rate established under this authority may not exceed the highest compensation rate prescribed by law for the grade or level involved.

Subsection (b) of section 603 provides that such rates may be revised from time to time and that such actions or revisions shall have the force and effect of law.

Subsection (c) of section 603 provides that any increase in basic compensation established under this section shall not be regarded as an "equivalent increase" in compensation within the meaning of section 701(a) of the Classification Act of 1949, or section 3552 of title 39, United States Code.

POLICIES, RULES, AND REGULATIONS OF THE PRESIDENT

Section 604 authorizes the President to prescribe policies, rules, and standards in order to carry out the policy and purpose of this bill with respect to the several Federal salary systems covered by this bill and in order to provide adequate supervision and control by the President over the functions, duties, and regulations of the respective authorities in the executive branch in connection with the administration and operation of the four major salary systems and the provisions of this title.

ABSORPTION WITHIN APPROPRIATIONS OF COSTS OF SALARY INCREASES

Section 605 of the bill contains a provision for the absorption within the executive branch of the costs of certain salary increases provided by the bill.

Section 605(a) authorizes and directs the Director of the Bureau of the Budget to provide by regulation for the absorption from the respective applicable appropriations or funds available, by the respective departments, agencies, establishments, and corporations in the executive branch, to such an extent as the Director deems practicable, of the costs of the increases in basic compensation provided by the bill.

Section 605(b) provides that this section shall not be construed to require the separation of any individual from the service by reduction in force or other personnel action or the placing of any individual in a leave-without-pay status.

It may be noted that section 605 will apply only to those Government agencies which are considered to be in the executive branch for all purposes.

Section 605 is similar to section 6 of H.R. 2462 of the 85th Congress, approved by the House on August 9, 1957. Reference is made to the discussion of such section 6 contained in House Report No. 929, 85th Congress.

VIEWS OF THE EXECUTIVE BRANCH

The special message from the President relative to salary increases for Federal employees, dated February 20, 1962, and the reports of the Bureau of the Budget, dated April 11, 1962, the Postmaster General, dated April 10, 1962, and the U.S. Civil Service Commission, dated April 10, 1962, on pending salary legislation are as follows:

[H. Doc. 344, 87th Cong., 2d sess.]

Salary Increases for Federal Service Employees

Message From the President of the United States Relative to Salary Increases for Federal Service Employees

To the Congress of the United States:

The success of this Government, and thus the success of our Nation, depend in the last analysis upon the quality of our career services. The legislation enacted by the Congress, as well as the decisions made by me and the department and agency heads, must all be implemented by the career men and women in the Federal service. In foreign affairs, national defense, science and technology, and a host of other fields, they face unprecedented problems of unprecedented importance and perplexity. We are all dependent on their sense of loyalty and responsibility as well as their competence and energy; and just as they have responsibilities to the Government so does the Government have obligations to them.

We properly establish high standards for our public servants. We investigate their character and associations before considering them for employment. We hire them only after they have passed difficult examinations. We require them to abide by rigorous standards of conduct and ethics. We demand consistently high performance from them on the job. Accordingly, the salaries for the services they perform should be fixed under well-understood and objective standards, high enough to attract and retain competent personnel, sufficiently flexible to motivate initiative and industry, and comparable with the salaries received by their counterparts in private life. To pay more than this is to be unfair to the taxpayers—to pay less is to degrade the public service and endanger our national security.

Unfortunately these basic standards for Federal salary systems are not met today. Too many Federal employees are underpaid in proportion to their responsibilities. Too many receive smaller salaries than are paid by many private industries, and even by many State and local governments, for less responsible work. Too many top-grade or supervisory Federal employees are paid little more, and sometimes even less, than their subordinates. Too many key career employees are unable to afford continued public service.

Existing statutory Federal pay structures cannot be justified as sound and equitable, either internally or externally. Internally,

salaries between various levels of work should be enough to provide an incentive to undertake more responsible duties and to represent, dollarwise, fair differences in work requirements. Over the years, piecemeal statutory revisions—with primary emphasis on bringing the lower pay levels abreast of changes in the cost of living—have severely compressed the spread between the top and bottom salaries. The 8.8-to-1 and 12-to-1 salary ratios between the highest and lowest Classification Act and postal field service grades existing prior to World War II have shrunk to ratios of less than 6 to 1, making it impossible to offer pay increases consistent with the added responsibilities of grade-to-grade promotion, or to offer an appropriate range of incentives within a particular grade. There is little consistency or logic in the salary differences between existing grade levels. And employees paid under a wage board system, with wages based on the prevailing rates in industry, are frequently paid more than their supervisors whose salaries are fixed by the more rigid and less logical provisions of the Classification Act.

Externally, except for employees paid under wage board systems, Federal salaries generally do not compare favorably and cannot compete successfully with private industry. Every objective survey has demonstrated that salaried Government employees at almost every work level receive less compensation, on a national average basis, than private employees performing similar work—and the greater the level of difficulty and responsibility, the greater the gap between Federal and private pay. A Federal employee beginning a professional or administrative career can look forward to a maximum salary increase of no more than 4¼ times his entrance salary, whereas his counterpart in private industry can look forward to an increase of six or seven times his beginning salary. Moreover, the Federal employee's top salary, if he stays to reach it, will be less than half that of his private enterprise counterpart.

Even State and local governments have passed the Federal Government. The head of a Federal Cabinet department receives less than the head of a New York State department—less than the average salary paid to the superintendents of schools in cities over 500,000 population. The highest paid Federal employees under the Classification Act would obtain higher salaries if they were working in the State career service in Georgia, Ohio, New York, Pennsylvania, Illinois, Michigan, or California, for example—or for the cities of St. Louis, Denver, Detroit, San Francisco, Los Angeles, and Philadelphia.

The difficulty has been the lack of both an accepted objective standard for determining Federal salary levels and a consistent procedure for review and adjustment. The result has been a steady attrition of valued employees, an inability to attract many top quality college graduates and, in the long run, a waste of Federal funds—discouraging the initiative, efficiency, and dedication that accompany recognition and stature, and requiring enormous expenditures each year to recruit and train new replacements for employees who leave the service for reasons of inadequate pay. We can no longer defer the necessary corrective measures or continue the existing lack of standards; and recent studies and measurement techniques now make possible the kind of wholly new approach that commonsense requires.

A FEDERAL PAY REFORM PROGRAM

I am transmitting to the Congress with this message legislation designed to reform the major statutory salary systems of the Federal Government, benefiting all of the 1,640,000 employees throughout the world who are paid under the various Federal statutory pay plans—the Classification Act, the Postal Field Service Compensation Act, the Foreign Service Act, and the medicine and surgery salary system of the Veterans' Administration. Although flat increases for lower paid workers are included as a matter of equity, the essence of this bill's objectives is Federal pay reform, not simply a Federal pay raise. Where pay raises result from the establishment of objective pay standards, they are primarily a reflection of the extent to which Federal salaries have lagged behind the national economy.

This proposal has two principal features:

(1) It establishes a sound, objective, and continuous standard for determining proper salary levels by following the concept of comparability—reasonable comparability with prevailing private enterprise salaries for the same levels of work insofar as this is possible, as determined from painstaking statistical surveys and careful job comparisons; and

(2) It establishes realistic and appropriate salary relationships both within and among the several statutory salary systems and each of their grade levels, by following the principle of equal pay for equal work, with distinctions in pay consistent with distinctions in responsibility and performance.

COMPARABILITY

Adoption of the principle of comparability will assure equity for the Federal employee with his equals throughout the national economy—enable the Government to compete fairly with private firms for qualified personnel—and provide at last a logical and factual standard for setting Federal salaries. Reflected in this single standard are such legitimate private enterprise pay considerations as cost of living, standard of living, and productivity, to the same extent that those factors are resolved into the "going rate" over bargaining tables and other salary determining processes in private enterprise throughout the country.

The principle has a history of wide acceptance. Within the Federal Government, it has been used for 100 years: First applied to Navy yard workers, it is now applied to all Federal workers in trades and crafts, to employees of the Tennessee Valley Authority, and to work under Government contracts covered by the Walsh-Healey and Davis-Bacon Acts. Many State and local governments, as well as some other national governments (such as Canada and the United Kingdom) already rely on this principle.

It should be noted in this regard that, in marked contrast to the unfavorable situation of salaried employees, the Federal pay practices affecting over 660,000 workers in the skilled trades and crafts have functioned without serious conflict or confusion. Based on prevailing rates, and set on recommendation of wage boards, their pay has been continuously maintained at levels that are fair from the viewpoint of the Government, the taxpayer, and the employee.

88294—62——4

I have found no more sensible standard for determining Government salaries. The Advisory Panel on Federal Salary Systems, chaired by Mr. Clarence Randall, in its recent report to me called it "not only equitable but valid and eminently desirable." The application of this principle permits the Government to meet its difficult personnel needs without paying more than is necessary or less than is equitable. It was not feasible in earlier years; but now the recently introduced annual survey of professional, administrative, technical, and clerical salaries conducted by the Bureau of Labor Statistics provides the objective comparative salary data needed for setting Federal pay scales. Occupational rates paid by private employers at a given work level of difficulty, responsibility, and required qualifications can be combined into a single national average private enterprise rate for work equivalent to a Classification Act Grade. These Classification Act rates in turn can be used to establish rates for the corresponding grades in the specialized salary systems of the postal field service, the Foreign Service, and the Veterans' Administration.

INTERNAL ALINEMENT

The internal alinement principle rests on two basic concepts: equal pay for equal work, and distinctions in pay consistent with distinctions in work and performance. Although these concepts are stated in the present Classification Act and are implicit in the Postal Field Service Compensation Act, the regressive and flat percentage pay adjustments of the past 17 years have gradually blotted out much of the meaning in the current pay differentials of all our salary systems.

The pay schedules I am recommending will regularize and generally enlarge the differences in salaries between successive grade levels, recognizing more appropriately the differences in responsibility involved, and providing a more uniform (not less than 10 percent) progression of salary levels between the entry rates of successive grades. This will furnish a greater incentive for employees striving to prepare themselves for higher responsibilities. At the same time, these new schedules will make more meaningful the within-grade promotions for competent performance of duties, and will provide better incentives for those who spend most of their careers within a single grade, by providing wider salary ranges (30 percent except for the top two grades) within each grade, more adequate and more numerous within-grade salary steps, and more flexible use of salary steps to recognize exceptional achievement.

Other provisions aimed at improving flexibility will (1) facilitate the adjustment of salaries to meet critical needs by competing more equally with private industry in areas or in occupations in which a shortage exists; (2) permit the assignment of positions to the upper grades of the Classification Act on the basis of duties and responsibilities, instead of arbitrarily limiting the number of such positions; and (3) create new upper grades to bring within the salary provisions of the Classification Act all those with top administrative responsibilities who are not Cabinet or sub-Cabinet officers or heads of separate agencies.

The new salary ranges would provide a 30-percent range between the entry rate and the highest rate in the grade for most salaried employees under the Classification Act and a 40-percent range for

the lower levels of the postal field service. This is comparable to the private industry ranges, which vary between 30 and 50 percent for each position. The pay ranges in the lower levels of the postal field service are somewhat broader than those in the Classification Act, in recognition of the pattern of long service in such positions in the postal field service and the need for incentives for sustained performance during the entire period of service.

ANNUAL REVIEW

To maintain the comparability principle, and to assure that other features are improved with experience, the bill provides that the President shall submit an annual report to Congress on the relationship of Federal salaries to those reported by the BLS for private enterprise, recommending whatever adjustments in salary schedules, structure, and policy he finds advisable. Where adjustments are indicated, they would be accomplished by revision of the Classification Act pay scales and by linkage of the other statutory systems to the Classification Act. A systematic annual review of this kind is essential to prevent Federal salary schedules from relapsing to their present conditions.

THE UPPER GRADES

Reform of the existing pay schedules necessarily involves immediate adjustment of salaries at almost all grade levels. But both our experience in the attrition of higher salaried men and women and all objective surveys have disclosed that the gap between private industry salaries and Government salaries is the widest at the upper levels. For example: the most recent Bureau of Labor Statistics survey shows that GS–14 and GS–15 employees receive 20 percent less than those employees in private industry in comparable positions. A 1960 survey of 21 large companies by the Civil Service Commission showed even more startling disparities at higher levels. Employees in these companies performing functions comparable to those of a GS–18 received twice as high a salary as their Federal Government employed counterpart.

Yet these are the very levels in the career service in which our need for quality is most acute—in which keen judgment, experience, and competence are at a premium. It is here that we face our most difficult personnel problems. It is at these grades that we employ our top scientists, doctors, engineers, experts, and managers. Surely if so many State and city governments, as earlier cited, are willing to compete with private industry for this talent, the Federal Government, with its urgent missions to perform, can face up to this problem as well. As a practical matter, the full principle of comparability cannot be applied to the higher salary levels of Government; but I consider adequate adjustment in our top executive and professional positions to be the most vital single element of correction in this entire proposal.

This reform of top career salaries will, of course, boost the pay of many civil servants to a level above that paid to their chiefs in Cabinet, sub-Cabinet, and similar positions. I recognize, however, that the salary level of these top executives has been quite properly related in recent years with the salary level of the Congress; and, while both are, in my opinion, inadequate, it is neither customary nor

appropriate to either provide such increases during current terms of office or specify congressional increases in a Presidential message. Representatives of the executive branch stand ready, however, to cooperate with the Congress in determining what executive and congressional pay scales would be appropriate following the terms of the present incumbents.

TIMING AND COST

It is important for the Federal Government to adhere to its own precepts with respect to pay adjustments in the economy as a whole. Because of the salary lag that has developed over the past 17 years, full correction of the accrued inequities in 1 year would be unwise, involving the substantial cost of more than $1 billion. This cost would come at a time when heavy budgetary demands have been placed upon us to meet great national security needs, and when the Government is urging private labor and management to exercise self-restraint to avoid the creation of inflationary pressures. Therefore, to reduce the impact in any one year on the affected $10 billion Federal payroll, where each 1-percent increase costs $100 million, the plan that I recommend provides that the full 10 percent be distributed over three annual stages, beginning prospectively on January 1, 1963. The increase scheduled to take effect next year is clearly well within the national average productivity increase (in the private sector) which has taken place since the last Federal pay increase in July of 1960.

The substantial costs necessarily involved in achieving this pay reform make it especially important that these improvements in our pay systems take absolute priority over general percentage or dollar increases of the kind we have seen in the past—increases which make little if any contribution to efficiency or economy in Government.

CONCLUSION

As I stated in my budget message, the first requirement for efficiency and economy in Government is highly competent personnel. I believe that enactment of this plan for sound salary administration is fundamental to the maintenance of a standard of excellence in the Federal service. It is my belief that this measure, if enacted, will constitute the most important revision and reform in Federal personnel legislation in more than a decade. It is the most important proposal to improve the Federal service which has been presented by this administration; and I believe it is essential if we are to achieve and maintain proficiency in the Federal Government. If our civil servants are to fulfill with skill and devotion their obligations to the Nation, the Nation must fulfill its obligations to the career service.

JOHN F. KENNEDY.

THE WHITE HOUSE, *February 20, 1962.*

EXECUTIVE OFFICE OF THE PRESIDENT,
BUDGET OF THE BUDGET,
Washington, D.C., April 11, 1962.

Hon. TOM MURRAY,
Chairman, Committee on Post Office and Civil Service,
House of Representatives, Old House Office Building,
Washington, D.C.

DEAR MR. CHAIRMAN: Reference is made to your requests for reports on the bills on the enclosed list. These bills propose changes in the Classification Act, the Postal Field Service Compensation Act, the Foreign Service Act, and the Veterans' Administration, Department of Medicine and Surgery salary authority.

In a special message dated February 20, 1962, the President outlined his proposals for reform of these Federal white-collar statutory salary systems. With that message was transmitted a draft bill, which was introduced by you on February 28, 1962, as H.R. 10480, and which would place in effect the total salary reform proposed by the President. We believe that none of the bills which are the subject of this report would adequately accomplish that objective.

The President has proposed, and the administration bill follows, clearly stated and objectively applied principles of Federal salary determination that are equitable to the Government, the Government employee, and the taxpayer. The first principle is that Federal salary rates at any specific time should be comparable with private enterprise salary rates for the same level of work. The second principle is that there shall be equal pay for equal work, with differences in salary reflecting differences in work levels and performance. The salary levels and structures and the rules for their use proposed in the administration bill follow these principles. The provisions of the bills here reported on do not follow these principles.

For convenience, these bills have been classified into the three groups noted on the enclosed.

The bills in group A give recognition to the need to establish salary-determining principles and methodology. Some propose a qualified following of private enterprise salary rates, others propose linkage to the Consumer Price Index. However, the bills that mention private enterprise salary rates refer to regional or local rates—which overlooks the national nature of the labor market for a great many occupations and overlooks the serious technical difficulties in obtaining statistically valid private enterprise data for the thousands of localities involved—or refer to private enterprise rates as pertinent but not controlling. Most would require new machinery rather than relying on existing methods and organizations. The bills that propose linkage with Consumer Price Index changes since a base period would give no recognition to the many other economic factors that determine American salaries, nor to the serious need for structural reform in Federal salary systems. None of the bills in this group, therefore, would achieve the objectives of this administration.

The many bills listed in group B are general pay increase proposals which follow no stated principle of salary determination. The salary levels and structures that would result would be wide of the mark of the going salary rate in private enterprise, and, in our judgment, none would assure equal pay for equal work or provide salary distinctions related to work level and performance distinctions. Some

appear to us to further disorganize existing salary structures. Some seek special action for selected occupations without regard for the impact on the total Federal program where such special rates would be paid, in serious conflict with the principle of equal pay for equal work. Some bills even provide pay increases for persons who are not Federal employees. No bill would provide the same type of adjustment in all the statutory systems. Most of the bills in this group provide pay raises of up to 30 percent in a few brackets. With some bills providing increases in the postal service aggregating over $750 million and others providing increases of substantially more than $1 billion in the other statutory systems, and with none following any stated standard or principle, it is plain that salary determination for this portion of the Federal payroll, which currently exceeds $10 billion, is in great need of the reform that the President has recommended.

The bills listed in group C propose such changes as revisions in statutory position descriptions, adjustments in premium pay or within-grade step rates or longevity pay, special classification of some selected occupations such as mail handlers and foremen, postal supervisors, and hearing examiners. The issues treated in the bills in this category arise as problems of the present inadequate salary structures and systems. To take these issues up individually at this time would be to continue the fragmentary treatment of selected portions of these systems that has brought about the need for the fundamental reform that the President has recommended.

In summary, the 113 bills here reported on would not accomplish the needed basic reform of Federal white-collar salary systems. The reform proposed by the President would be accomplished by enactment of H.R. 10480. A full justification statement and section analysis of that bill has been provided and printed as a committee print dated February 28, 1962, and a summary analysis fully explaining the standards, principles, and detailed provisions of the reform has also been provided and printed as a committee print dated March 1962.

Accordingly, the Bureau of the Budget recommends against favorable consideration of the bills reported hereon, and strongly endorses H.R. 10480 as in accord with the program of the President.

Sincerely yours,

PHILLIP S. HUGHES,
Assistant Director for Legislative Reference.

GROUP A—PROPOSALS EFFECTING NEW APPROACH TO PAY FIXING

H.R. 295, Mr. Baldwin, "To provide that the rates of compensation of officers and employees subject to the Classification Act of 1949 shall hereafter be fixed and adjusted by wage boards on the basis of prevailing rates and practices."

H.R. 750, Mrs. St. George, "To adjust the compensation of officers and employees of the United States, and for other purposes."

H.R. 1115, Mr. Younger, "To provide for the adjustment of the basic salaries of postal field service employees on a regional basis in accordance with prevailing wage rates."

H.R. 6534, Mr. Gubser, "To provide for the establishment of rates of compensation for positions in the Federal Government in appro-

priate relationship to local prevailing rates for similar positions, and for other purposes."

H.R. 10436, Mr. Barry, "To provide salary adjustments in the basic salary of postal field service employees in certain areas, and for other purposes."

H.R. 10908, Mr. Davis, "To establish a basic policy for the determination of statutory salaries and the annual review of the adequacy of the major statutory pay systems of the Federal Government."

GROUP B—PROPOSALS EFFECTING GENERAL PAY INCREASES

H.R. 2037, Mr. Karth, "To amend the Postal Field Service Compensation Act of 1955, as amended, with respect to position descriptions, salary, and for other purposes," and identical bill H.R. 4079, Mr. Daniels.

H.R. 5563, Mr. Anfuso, "To establish a system for the classification and compensation of professional engineering, physical science, and related positions in the Federal Government, and for other purposes," and identical bill H.R. 7293, Mr. Santangelo.

H.R. 9454, Mr. George P. Miller, "To establish a system for the classification and compensation of engineering, scientific, and related positions in the Federal Government, and for other purposes."

H.R. 9531, Mr. Morrison, "To amend the law relating to pay for postal employees," and 59 identical bills: H.R. 9532, Mr. Addonizio; H.R. 9533, Mr. Anfuso; H.R. 9534, Mr. Dent; H.R. 9535, Mr. Dulski; H.R. 9536, Mr. Fulton; H.R. 9537, Mrs. Granahan; H.R. 9538, Mr. Gray; H.R. 9539, Mr. Halpern; H.R. 9540, Mr. Holland; H.R. 9541, Mr. Merrow; H.R. 9542, Mr. Miller; H.R. 9543, Mr. Olsen; H.R. 9544, Mr. Staggers; H.R. 9615, Mr. Addabbo; H.R. 9616, Mr. Daniels; H.R. 9617, Mr. Santangelo; H.R. 9618, Mr. Zelenko; H.R. 9661, Mr. Broyhill; H.R. 9662, Mr. Fino; H.R. 9663, Mr. Gilbert; H.R. 9664, Mr. Karth; H.R. 9665, Mr. Perkins; H.R. 9666, Mr. Price; H.R. 9703, Mr. Clark; H.R. 9704, Mr. Dingell; H.R. 9705, Mr. Lesinski; H.R. 9706, Mr. Randall; H.R. 9707, Mr. Shipley; H.R. 9708, Mr. Toll; H.R. 9765, Mr. Cohelan; H.R. 9766, Mr. Diggs; H.R. 9767, Mr. Flood; H.R. 9768, Mr. Joelson; H.R. 9769, Mr. Lankford; H.R. 9770, Mr. Roosevelt; H.R. 9801, Mr. Buckley; H.R. 9811, Mr. Rhodes; H.R. 9878, Mr. Fogarty; H.R. 9949, Mr. Huddleston; H.R. 9951, Mr. Lane; H.R. 10163, Mr. Blatnik; H.R. 10190, Mr. O'Neill; H.R. 10257, Mr. Multer; H.R. 10277, Mr. Becker; H.R. 10283, Mr. Derounian; H.R. 10291, Mr. Moore; H.R. 10295, Mr. Powell; H.R. 10447, Mr. Harsha; H.R. 10488, Mr. Ryan; H.R. 10557, Mr. Carey; H.R. 10558, Mr. Dooley; H.R. 10559, Mr. Healey; H.R. 10561, Mr. Mathias; H.R. 10564, Mr. Schadeberg; H.R. 10568, Mr. Green; H.R. 10580, Mr. Rosenthal; H.R. 10583, Mr. Slack; H.R. 10589, Mr. Farbstein; H.R. 10609, Mr. Bailey.

H.R. 9651, Mr. Olsen, "To adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes," and eight identical bills: H.R. 9762, Mr. Broyhill; H.R. 9763, Mr. Lankford; H.R. 9840, Mrs. Granahan; H.R. 9952, Mr. Lane; H.R. 9984, Mr. O'Neill; H.R. 10003, Mr. Gilbert; H.R. 10033, Mr. Anfuso; H.R. 10139, Mr. Miller.

H.R. 9740, Mr. Morrison, "To increase the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes."
H.R. 9935, Mr. Morrison, "To adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes," and identical bills: H.R. 10055, Mr. Holland; H.R. 10610, Mr. Bailey.
H.R. 10210, Mr. Lesinski, "To provide an increase of 15 percent in the compensation of employees in the postal field service, and for other purposes."
H.R. 10895, Mr. Moss, "To establish a system for the classification and compensation of scientific and professional positions in the Federal Government, and for other purposes."

GROUP C—PROPOSALS EFFECTING MISCELLANEOUS CHANGES IN PAY AND CLASSIFICATION PROVISIONS FOR SELECTED EMPLOYEES

H.R. 1000, Mr. Lesinski, "To amend the Postal Field Service Compensation Act of 1955 with respect to the position descriptions and salary levels of mail handlers, and for other purposes," and identical bill, H.R. 2002, Mr. Cunningham.
H.R. 1004, Mr. Lesinski, "To grant longevity pay step-increases to Federal employees on an equal basis upon completion by them of 10, 13, and 16 years of service, respectively."
H.R. 1048, Mr. Multer, "To amend the Classification Act of 1949, as amended, so as to authorize longevity step-increases for officers and employees in grades above grade 15 of the General Schedule."
H.R. 1275, Mr. Zelenko, "To amend the Classification Act of 1949 to provide three additional longevity step-increases for officers and employees subject to such act, and for other purposes."
H.R. 1929, Mr. Dulski, "To amend section 703(b) of the Classification Act of 1949, as amended, relating to longevity step increases."
H.R. 2432, Mr. Lesinski, "To correct certain inequities with respect to supervisory and other postal field service employees, and for other purposes."
H.R. 2433, Mr. Lesinski, "To modify existing law with respect to certain salary levels, position descriptions, and service credit for automatic step-increases of supervisory and other postal field service employees, and for other purposes."
H.R. 2907, Mr. Loser, "To amend the Classification Act of 1949 to place in grade 18 of the General Schedule the position of hearing examiners of the Social Security Administration in the Department of Health, Education, and Welfare," and identical bills: H.R. 5665, Mr. Fulton; H.R. 6118, Mr. Perkins.
H.R. 3058, Mr. Morrison, "To amend the Classification Act of 1949 to authorize the placement in grade 18 of the General Schedule of 20 positions of hearing examiner in the Federal Trade Commission."
H.R. 3759, Mrs. Granahan, "To correct the inequities of the Postal Field Service Compensation Act of 1955."
H.R. 4730, Mr. Curtis, "To amend the Postal Field Service Compensation Act of 1955 to extend to substitute postal employees the provisions of such act relating to overtime and holiday pay, and for other purposes."

H.R. 5767, Mr. Alford, "To amend section 3574 of title 39, relating to night work compensation."
H.R. 5780, Mrs. Granahan, "To amend title 39 of the United States Code to establish certain promotion benefits for postal field service employees."
H.R. 5781, Mrs. Granahan, "To amend title 39 of the United States Code to effect a change in organizational relationship of the key position of Foreman, Mails (KP–21)—Level 7."
H.R. 5783, Mrs. Granahan, "To amend title 39 of the United States Code to establish an improved system of longevity steps for postal field service employees, and for other purposes," and identical bills: H.R. 7631, Mr. Karth; H.R. 7905, Mr. Addabbo.
H.R. 6436, Mr. Morrison, "To reduce the number of steps in the Postal Field Service."
H.R. 6778, Mrs. Granahan, "To amend the act of June 10, 1955, as amended, so as to establish the hours of work for rural carriers, and for other purposes."
H.R. 6862, Mrs. Granahan, "To correct certain inequities in the Postal Field Service Compensation Act, and for other purposes."
H.R. 8473, Mr. Fulton, "To amend the provisions of law relating to longevity step increases for postal employees," and identical bill, H.R. 8758, Mr. Lesinski.
H.R. 8602, Mr. Morrison, "To correct the Postal Field Service Compensation Act of 1955 relative to conversion."
H.R. 10435, Mr. Barry, "To correct inequities with respect to the compensation of certain postal field service employees exercising supervisory functions, and for other purposes."

OFFICE OF THE POSTMASTER GENERAL,
Washington, D.C., April 10, 1962.

Hon. TOM MURRAY,
Chairman, Committee on Post Office and Civil Service,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your request for a report on the bill (H.R. 9531) proposing to amend the law relating to pay for postal employees.

We do not favor enactment of this bill for the reason that it is inconsistent with the President's Federal pay reform program. The first full year salary cost under sections 102 through 107 of H.R. 9531 based on estimated budgetary requirements for fiscal year 1963 is approximately $750.3 million.

No estimate of cost under the provisions of section 108 was made which provides (1) payment of substitutes at overtime rates for work in excess of 8 hours in a day, (2) compensatory time for Saturday and Sunday work, and (3) premium pay for work on holidays. Since substitutes do not work on regular schedules, it is not possible to make realistic estimates of the cost of these changes in the absence of firm data supported by field trials. It is to be noted also that premium pay for holidays would provide substitutes with a double benefit inasmuch as holiday pay is now prorated throughout the year by use of the 2,016-hour factor. To provide premium pay in addition would

give double benefits which would greatly exceed the benefits of regular employees.

This Department favors the enactment of H.R. 10480, which would carry out the President's plan for reformation of all salaries in the executive branch of the Government. Title III of H.R. 10480 sets forth the proposed schedule of pay for postal field service employees.

We have been advised by the Bureau of the Budget that from the standpoint of the administration's program there is no objection to the submission of this report to the committee.

Sincerely yours,

H. W. Brawley,
Acting Postmaster General.

U.S. Civil Service Commission,
Washington, D.C., April 10, 1962.

Hon. Tom Murray,
Chairman, Post Office and Civil Service Committee,
House Office Building, Washington, D.C.

Dear Mr. Chairman: This is in further reply to your requests for the views of the Commission on the following bills: (1) H.R. 9651, (2) H.R. 9762, (3) H.R. 9763, (4) H.R. 9840, (5) H.R. 9952, (6) H.R. 9984, (7) H.R. 10003, (8) H.R. 10033, (9) H.R. 10139, (10) H.R. 9935, (11) H.R. 10055, and (12) H.R. 9740.

The first nine of these bills are identical in all respects. They provide increases in the General Schedule of the Classification Act and the pay schedules for the Department of Medicine and Surgery of the Veterans' Administration. The cost of these proposed schedules, on an annual basis, for Federal employees is estimated at $915,500,000. In addition, the rates of compensation of employees of the Federal and District of Columbia governments which are fixed by administrative action pursuant to law (other than prevailing rate employees) and are not otherwise increased, may also be increased by amounts provided by the bill for corresponding rates of compensation in the appropriate schedule or scale of pay. We are unable to estimate the cost of this provision.

These bills also provide for an additional step-increase under the Classification Act when an employee completes 10 years of employment by the Federal Government or the government of the District of Columbia. Under this provision it appears that every employee paid under the Classification Act on the effective date of the amendment who had 10 years' service in any Federal agency (or the District government), in any position, under any pay system, would receive an additional step-increase regardless of when such service was completed, or how long he had served under the Classification Act. The cost of this provision is estimated at $100 million. Thus the annual cost of these bills is estimated to be at least $1,015,500,000.

These bills are retroactive to the first day of the first pay period which began on or after January 1, 1962.

Bills numbered (10) and (11), H.R. 9935 and H.R. 10055, contain the identical provisions of the bills discussed above and in addition

provide that the rates of compensation of employees of the county committees, established pursuant to the Soil Conservation and Domestic Allotment Act, shall be increased, as nearly as may be practicable, to the increases provided for corresponding rates of compensation in the appropriate schedule or scale of pay. The inclusion of pay increases for this group adds an estimated $11,475,000 to the cost of H.R. 9935 and H.R. 10055, bringing the total estimate to $1,026,975,000 on an annual basis.

Bill numbered (12), H.R. 9740, provides a flat 14 percent increase in the schedules of the Classification Act of 1949, the Foreign Service Act of 1946, and those set forth in title 38 of the United States Code for the Department of Medicine and Surgery of the Veterans' Administration. Fourteen percent increases are also provided for employees of the agricultural county committees established pursuant to the Soil Conservation and Domestic Allotment Act, certain employees in the judicial branch, and employees in or under the legislative branch. This bill is effective upon date of approval. The estimated cost of H.R. 9740, on an annual basis for the Federal Government (exclusive of increases for employees in the judicial and legislative branches provided in secs. 5 and 6 of the bill), is $999,300,000.

The cost of the several bills is excessive; they are solely pay increase bills which do little, if anything, to rectify the inequities within and among the major statutory pay systems. With the exception of H.R. 9740, none of the bills cover adjustments in the Foreign Service Act. Not a single one of the bills covers the postal field service. If the estimated cost, $750 million plus, of H.R. 9531 (a bill to amend the law relating to pay of postal employees) is added to the bills upon which we are reporting, the aggregate annual cost ranges to at least $1,776,975,000, a fantastic sum for pay increases which are not based upon any sound policy considerations, which make no basic improvements, resolve no administrative problems, and in fact only increase existing inequities within and among the several statutory pay systems of the Government.

The Civil Service Commission strongly objects to the enactment of these bills.

The Commission does favor and urges favorable action on H.R. 10480 which you introduced and which embraces the President's salary reform bill transmitted to the Congress with his special message of February 20, 1962.

H.R. 10480 is based on sound policy objectives:

Pay comparability with private enterprise for the same levels of work.

Future pay adjustments in consonance with this policy.

Equal pay for substantially equal work.

Pay distinctions in keeping with work and performance distinctions.

Much needed flexibility in pay administration.

Rational interrelation of the salary levels of the several Federal statutory salary systems.

The total ultimate increased salary cost of the schedules in H.R. 10480 is estimated at $1,058,500,000. It should be pointed out,

however, that (1) the cost for fiscal year 1963 would be only $224 million as against $1,750 million for H.R. 9935 and H.R. 9531 combined; and (2) the bill also includes major reform and improvement in the four statutory salary systems: the Classification Act, the Postal Field Service Compensation Act, the pay schedules of the Veterans' Administration Department of Medicine and Surgery, and the Foreign Service Act.

The Bureau of the Budget advises that from the standpoint of the administration's program there is no objection to the submission of this report.

By direction of the Commission:

Sincerely yours,

JOHN W. MACY, JR., *Chairman.*

This report also covers H.R. 10610 which is identical to H.R. 9935 and H.R. 10055.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 39 OF THE UNITED STATES CODE

TITLE 39—THE POSTAL SERVICE

* * * * * * *

PART III—PERSONNEL

Chapter

41. General Provisions 3101
43. Appointment and Assignment of Field Service Employees 3301
45. Compensation in the Postal Field Service 3501

CHAPTER 41—GENERAL PROVISIONS

Sec.

3101. Definitions.

EMPLOYEES GENERALLY

3103. Oath of office.
3104. No employee to receive fees.
3105. Detail of employees between field and department.
3106. Special compensation rules.

SPECIAL CLASSES OF EMPLOYEES

3111. Residence of postal transportation clerks.
3112. Inspectors may administer oaths.
3113. Rural carriers to furnish equipment.
3114. Rural carriers not to carry merchandise.
3115. Special delivery messengers as employees or carriers.
3116. Uniforms and badges.

§ 3101. Definitions

As used in this part—

(1) "employee", unless the context otherwise indicates, includes postmasters, officers, supervisors, and all other persons employed in the postal field service, regardless of title, other than persons who provide services for the Department on a fee, contract, job, or piecework basis;

(2) "position" means the duties and responsibilities assigned to an employee, other than duties performed on a fee, contract, job, or piecework basis;

(3) "key position" means an existing position, described in sections 3511–3531 of this title;

(4) "salary level" means the numerical standing in the Postal Field Service Schedule assigned to a position in the postal field service;

[(5) "basic salary" means the rate of annual or hourly compensation specified by law, exclusive of overtime, night differential, and longevity compensation; and

[(6) "basic compensation" means basic salary plus longevity compensation.]

(5) "basic salary" and "basic compensation" mean the rate of annual or hourly compensation specified by law, exclusive of overtime and night differential.

(7) "assigned to road duty" as used in reference to employees in the Motor Vehicle Service means assignment to a Motor Vehicle Service route which is not less than fifty miles in length one way.

EMPLOYEES GENERALLY

§ 3103. Oath of office

Before entering upon their duties, and before receiving any salary, the Postmaster General, and all persons employed in the Department, in addition to any other oath or affirmation required by law, shall respectively take and subscribe the following oath or affirmation:

"I, do hereby solemnly swear (or affirm, as the case may be) that I will faithfully perform all the duties required of me and abstain from everything forbidden by the laws in relation to the establishment of post offices and post roads within the United States; and that I will honestly and truly account for and pay over any money belonging to the said United States which may come into my possession or control; and I also further swear (or affirm) that I will support the Constitution of the United States; so help me God."

A person authorized to administer oaths by the laws of the United States, including section 16a of title 5, or of a State or Territory, or an officer, civil or military, holding a commission under the United States may administer and certify the oath or affirmation.

§ 3104. Employees not to receive fees

An officer or employee of the Department may not receive any fee or perquisite from a patron of the Department on account of the duties performed by virtue of his appointment, except as authorized by law.

§ 3105. Detail of employees between field and department

With the consent of the employee, the Postmaster General may detail any employee, including an employee of the departmental service, between the postal field service and the departmental service to such extent as may be necessary to develop a more efficient working force and more effectively to perform the work of the Department. Each detail shall be made for a period of not more than one year and may be made without change in compensation of the employees so detailed.

§ 3106. Special compensation rules

In order that the basic compensation schedules in sections 3542, 3543, and 3544 of this title may be used equitably and with maximum effect to attract and motivate employees, the Postmaster General may prescribe regulations pursuant to which he may:

SALARY STEPS AND PROMOTIONS

Sec.
3551. Appointments to positions in the postal field service.
3552. Automatic advancement by step-increases.
3553. Creditable service for advancement.
3554. Compensation of certain temporary employees.
3555. Reduction in salary step.
3556. Automatic advancement withheld.
3557. Automatic advancement of substitute employee deferred.
[3558. Longevity step increases.]
3559. Promotions.
3560. Salary protection.

HOURS OF WORK AND OVERTIME

3571. Maximum hours of work.
3572. Minimum hours of work for hourly rate employees.
3573. Compensatory time, overtime, and holidays.
3574. Night work.
3575. Exemptions.
3576. Holiday service of rural carriers and employees assigned to road duty.

SPECIAL PROVISIONS FOR POSTAL TRANSPORTATION AND MOTOR VEHICLE SERVICES

3581. Road duty employees.
3582. Time credit for delay to trains and highway post offices.

* * * * * * *

§ 3542. Postal Field Service Schedule

[(a) There is established a basic salary schedule for positions in the postal field service which shall be known as the Postal Field Service Schedule, and for which the symbol shall be "PFS". Except as provided in sections 3543 and 3544 of this title, basic salary shall be paid to all employees in accordance with this schedule.

[POSTAL FIELD SERVICE SCHEDULE

Level	Per annum rates and steps						
	1	2	3	4	5	6	7
1	$3,415	$3,545	$3,675	$3,805	$3,935	$4,065	$4,195
2	3,670	3,805	3,940	4,075	4,210	4,345	4,480
3	3,955	4,100	4,245	4,390	4,535	4,680	4,825
4	4,345	4,505	4,665	4,825	4,985	5,145	5,305
5	4,605	4,765	4,925	5,085	5,245	5,405	5,565
6	4,975	5,150	5,325	5,500	5,675	5,850	6,025
7	5,370	5,555	5,740	5,925	6,110	6,295	6,480
8	5,790	5,995	6,200	6,405	6,610	6,815	7,020
9	6,255	6,480	6,705	6,930	7,155	7,380	7,605
10	6,870	7,110	7,350	7,590	7,830	8,070	8,310
11	7,560	7,820	8,080	8,340	8,600	8,860	9,120
12	8,320	8,605	8,890	9,175	9,460	9,745	10,030
13	9,160	9,470	9,780	10,090	10,400	10,710	11,020
14	10,075	10,410	10,745	11,080	11,415	11,750	12,085
15	11,075	11,440	11,805	12,170	12,535	12,900	13,265
16	12,205	12,570	12,935	13,300	13,665	14,030	14,395
17	13,505	13,870	14,235	14,600	14,965	15,330	15,695
18	15,165	15,525	15,885	16,245	16,605	16,965	16,965
19	16,585	16,945	17,095				
20	17,200						

(a) There are established basic compensation schedules for positions in the postal field service which shall be known as the Postal Field Service Schedules and for which the symbol shall be "PFS". Each such schedule shall be in effect for the period specified with respect to such schedule. Except as provided in sections 3543 and 3544 of this title, basic compensation shall be paid to all employees in accordance with these schedules.

POSTAL FIELD SERVICE SCHEDULES

(To be effective for the period beginning as of the first day of the first pay period beginning on or after July 1, 1962, and ending immediately prior to the applicable initial effective date of the second PFS Schedule set forth below)

Level	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
1	$3,685	$3,815	$3,945	$4,075	$4,205	$4,335	$4,465	$4,595	$4,725	$4,855	$4,985	$5,115
2	3,985	4,120	4,255	4,390	4,525	4,660	4,795	4,930	5,065	5,200	5,335	5,470
3	4,315	4,460	4,605	4,750	4,895	5,040	5,185	5,330	5,475	5,620	5,765	5,910
4	4,675	4,835	4,995	5,155	5,315	5,475	5,635	5,795	5,955	6,115	6,275	6,435
5	5,055	5,220	5,385	5,550	5,715	5,880	6,045	6,210	6,375	6,540	6,705	6,870
6	5,480	5,655	5,830	6,005	6,180	6,355	6,530	6,705	6,880	7,055	7,230	7,405
7	5,800	5,990	6,180	6,370	6,560	6,750	6,940	7,130	7,320	7,510	7,700	-------
8	6,215	6,420	6,625	6,830	7,035	7,240	7,445	7,650	7,855	8,060	-------	-------
9	6,715	6,940	7,165	7,390	7,615	7,840	8,065	8,290	8,515	8,740	-------	-------
10	7,260	7,500	7,740	7,980	8,220	8,460	8,700	8,940	9,180	9,420	-------	-------
11	7,960	8,225	8,490	8,755	9,020	9,285	9,550	9,815	10,080	10,345	-------	-------
12	8,735	9,025	9,315	9,605	9,895	10,185	10,475	10,765	11,055	11,345	-------	-------
13	9,575	9,895	10,215	10,535	10,855	11,175	11,495	11,815	12,135	12,455	-------	-------
14	10,510	10,860	11,210	11,560	11,910	12,260	12,610	12,960	13,310	13,660	-------	-------
15	11,525	11,910	12,295	12,680	13,065	13,450	13,835	14,220	14,605	14,990	-------	-------
16	12,650	13,070	13,490	13,910	14,330	14,750	15,170	15,590	16,010	16,430	-------	-------
17	13,880	14,340	14,800	15,260	15,720	16,180	16,640	17,100	17,560	18,020	-------	-------
18	15,225	15,730	16,235	16,740	17,245	17,750	18,255	18,760	19,265	19,770	-------	-------
19	16,700	17,255	17,810	18,365	18,920	19,475	20,030	-------	-------	-------	-------	-------
20	18,350	18,960	19,570	20,180	-------	-------	-------	-------	-------	-------	-------	-------

(To be effective on the first day of the first pay period beginning on or after July 1, 1963, and thereafter)

Level	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
1	$3,800	$3,935	$4,070	$4,205	$4,340	$4,475	$4,610	$4,745	$4,880	$5,015	$5,150	$5,285
2	4,100	4,240	4,380	4,520	4,660	4,800	4,940	5,080	5,220	5,360	5,500	5,640
3	4,450	4,600	4,750	4,900	5,050	5,200	5,350	5,500	5,650	5,800	5,950	6,100
4	4,800	4,965	5,130	5,295	5,460	5,625	5,790	5,955	6,120	6,285	6,450	6,615
5	5,255	5,425	5,595	5,765	5,935	6,105	6,275	6,445	6,615	6,785	6,955	7,125
6	5,685	5,870	6,055	6,240	6,425	6,610	6,795	6,980	7,165	7,350	7,535	7,720
7	5,950	6,150	6,350	6,550	6,750	6,950	7,150	7,350	7,550	7,750	7,950	-------
8	6,440	6,655	6,870	7,085	7,300	7,515	7,730	7,945	8,160	8,375	-------	-------
9	6,965	7,200	7,435	7,670	7,905	8,140	8,375	8,610	8,845	9,080	-------	-------
10	7,725	7,985	8,245	8,505	8,765	9,025	9,285	9,545	9,805	10,065	-------	-------
11	8,580	8,865	9,150	9,435	9,720	10,005	10,290	10,575	10,860	11,145	-------	-------
12	9,520	9,835	10,150	10,465	10,780	11,095	11,410	11,725	12,040	12,355	-------	-------
13	10,555	10,905	11,255	11,605	11,955	12,305	12,655	13,005	13,355	13,705	-------	-------
14	11,700	12,090	12,480	12,870	13,260	13,650	14,040	14,430	14,820	15,210	-------	-------
15	12,980	13,410	13,840	14,270	14,700	15,130	15,560	15,990	16,420	16,850	-------	-------
16	14,400	14,875	15,350	15,825	16,300	16,775	17,250	17,725	18,200	18,675	-------	-------
17	15,960	16,490	17,020	17,550	18,080	18,610	19,140	19,670	20,200	20,730	-------	-------
18	17,690	18,280	18,870	19,460	20,050	20,640	21,230	21,820	22,410	23,000	-------	-------
19	19,615	20,270	20,925	21,580	22,235	22,890	23,545	-------	-------	-------	-------	-------
20	21,755	22,480	23,205	23,930	-------	-------	-------	-------	-------	-------	-------	-------

* * * * * * *

§ 3543. Rural Carrier Schedule

[(a) There is established a basic salary schedule which shall be known as the Rural Carrier Schedule, and for which the symbol shall be "RCS", for carriers in the rural delivery service, which is based in part on fixed compensation per annum and in part on specified rates per mile per annum. Basic salary shall be paid to rural carriers in accordance with this schedule.

[RURAL CARRIER SCHEDULE

[Per annum rates and steps

	1	2	3	4	5	6	7
Carriers in rural delivery service:							
Fixed compensation per annum	$2,053	$2,132	$2,211	$2,290	$2,369	$2,448	$2,527
Compensation per mile per annum for each mile up to 30 miles of route	71	73	75	77	79	81	83
For each mile of route over 30 miles	24	24	24	24	24	24	24
Temporary carriers in rural delivery service on routes to which no regular carrier is assigned:							
Fixed compensation per annum	2,053	------	------	------	------	------	------
Compensation per mile per annum for each mile up to 30 miles of route	71	------	------	------	------	------	------
For each mile of route over 30 miles	24	------	------	------	------	------	------
Temporary carriers in rural delivery service on routes having regular carriers absent without pay or on military leave	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Substitute carriers in rural delivery service on routes having carriers absent with pay	(1)	(1)	(1)	(1)	(1)	(1)	(1)

[1] Basic compensation authorized for the regular carrier.

(a) There are established basic compensation schedules which shall be known as the Rural Carrier Schedules, and for which the symbol shall be "RCS". Each such schedule shall be in effect for the period specified with respect to such schedule.

RURAL CARRIER SCHEDULES

(To be effective for the period beginning as of the first day of the first pay period beginning on or after July 1, 1962, and ending immediately prior to the applicable initial effective date of the second RCS Schedule set forth below)

	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
Carriers in rural delivery service:												
Fixed compensation per annum	$2,845	$2,885	$2,925	$2,965	$3,005	$3,045	$3,085	$3,125	$3,165	$3,205	$3,245	$3,285
Compensation per mile per annum for each mile up to 30 miles of route	51	55	59	63	67	71	75	79	83	87	91	95
For each mile of route over 30 miles	25	25	25	25	25	25	25	25	25	25	25	25
Temporary carriers in rural delivery service on routes to which no regular carrier is assigned:												
Fixed compensation per annum	2,845											
Compensation per mile per annum for each mile up to 30 miles of route	51											
For each mile of route over 30 miles	25											
Temporary carriers in rural delivery service on routes having regular carriers absent without pay or on military leave	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Substitute carriers in rural delivery service on routes having carriers absent with pay	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)

[1] *Basic compensation authorized for the regular carrier.*

(To be effective on the first day of the first pay period beginning on or after July 1, 1963, and thereafter)

	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
Carriers in rural delivery service:												
Fixed compensation per annum	$2,898	$2,943	$2,988	$3,033	$3,078	$3,123	$3,168	$3,213	$3,258	$3,303	$3,348	$3,393
Compensation per mile per annum for each mile up to 30 miles of route	53	57	61	65	69	73	77	81	85	89	93	97
For each mile of route over 30 miles	23	26	26	26	26	26	26	26	26	26	26	26
Temporary carriers in rural delivery service on routes to which no regular carrier is assigned:												
Fixed compensation per annum	2,898											
Compensation per mile per annum for each mile up to 30 miles of route	53											
For each mile of route over 30 miles	26											
Temporary carriers in rural delivery service on routes having regular carriers absent without pay or on military leave	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Substitute carriers in rural delivery service on routes having carriers absent with pay	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)

[1] *Basic compensation authorized for the regular carrier.*

* * * * * * *

[(c) The Postmaster General may pay such additional compensation as he may determine to be fair and reasonable in each individual case to rural carriers serving heavily patronized routes not exceeding sixty-one miles in length. He may not pay additional compensation to a carrier serving such a route in an amount which would exceed the basic salary for the maximum step in the Rural Carrier Schedule for a route sixty-one miles in length, when added to the basic salary for the maximum step in the Rural Carrier Schedule for his route. In case such a heavily patronized route is extended in length, the rural carrier assigned to the route at the time of the extension may not be reduced in pay.]

(c) The Postmaster General may pay such additional compensation as he may determine to be fair and reasonable in each individual case to rural carriers serving heavily patronized routes not exceeding one hundred and one miles in length, such additional compensation to be authorized on the basis of maximum allowable time required to serve such route as determined by evaluation under the Office and Route Time Standards prescribed by the Postmaster General.

* * * * * * *

[(f) In addition to the compensation provided in the Rural Carrier Schedule, each rural carrier shall be paid for equipment maintenance a sum equal to—

[(1) 10 cents per mile for each mile or major fraction of a mile scheduled or

[(2) $3.50 per day, whichever is greater.

[In addition to the allowance provided by the proceeding sentence, the Postmaster General may pay such amount as he determines to be fair and reasonable, not in excess of $2.50 per day, to rural carriers entitled to additional compensation under subsection (c) of this section for servicing heavily patronized routes. Payment for equipment maintenance shall be made at the same periods and in the same manner as payments of regular compensation.]

(f) In addition to the compensation provided in this section, each rural carrier shall be paid an allowance for equipment maintenance determined as follows:

(1) For routes having less than two hundred and sixty stops, as determined by the Postmaster General, the allowance shall be $4 per day, or 10 cents a mile, whichever is the greater; and

(2) For other routes, the allowance shall be the greater of—

(A) 10 cents a mile for each mile or major fraction of a mile scheduled, or

(B) The sum of the following:

(i) $4 a day,

(ii) 5 cents for each unit of twenty stops in excess of two hundred and sixty a day, as determined by the Postmaster General, and

(iii) 5 cents a mile for each mile or major fraction of a mile scheduled over twenty-two miles.

* * * * * * *

§ 3544. Fourth Class Office Schedule

[(a) There is established a basic salary schedule which shall be known as the Fourth Class Office Schedule, and for which the symbol shall be "FOS", for postmasters in post offices of the fourth class

which is based on the gross postal receipts as contained in returns of the post office for the calendar year immediately preceding. Basic salary shall be paid to postmasters in post offices of the fourth class in accordance with this schedule, and basic salary so paid, together with other forms of compensation provided by this title, shall replace existing forms of compensation for those postmasters.

[FOURTH-CLASS OFFICE SCHEDULE

Gross receipts	Per annum rates and steps						
	1	2	3	4	5	6	7
$1,300 to $1,499.99	$2,979	$3,078	$3,177	$3,276	$3,375	$3,474	$3,573
$900 to $1,299.99	2,730	2,820	2,910	3,000	3,090	3,180	3,270
$600 to $899.99	2,234	2,309	2,384	2,459	2,534	2,609	2,684
$350 to $599.99	1,737	1,794	1,851	1,908	1,965	2,022	2,079
$250 to $349.99	1,242	1,282	1,322	1,362	1,402	1,442	1,482
$200 to $249.99	993	1,025	1,057	1,089	1,121	1,153	1,185
$100 to $199.99	745	769	793	817	841	865	889
Under $100	495	511	527	543	559	575	591

(a) There are established basic compensation schedules which shall be known as the Fourth Class Office Schedules, and for which the symbol shall be "FOS", for postmasters in post offices of the fourth class. Each such schedule shall be in effect for the period specified with respect to such schedule. Each such schedule is based upon the gross postal receipts as contained in returns of the post office for the calendar year immediately preceding. Basic compensation shall be paid to postmasters in post offices of the fourth class in accordance with these schedules.

FOURTH CLASS OFFICE SCHEDULES

(To be effective for the period beginning as of the first day of the first pay period beginning on or after July 1, 1962, and ending immediately prior to the applicable initial effective date of the second FOS schedule set forth below)

Gross receipts	*Per annum rates and steps*											
	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*	*12*
$1,300 to $1,499.99	$3,627	$3,744	$3,861	$3,978	$4,095	$4,212	$4,329	$4,446	$4,563	$4,680	$4,797	$4,914
$900 to $1,299.99	3,224	3,328	3,432	3,536	3,640	3,744	3,848	3,952	4,056	4,160	4,264	4,368
$600 to $899.99	2,821	2,912	3,003	3,094	3,185	3,276	3,367	3,458	3,549	3,640	3,731	3,822
$350 to $599.99	2,418	2,496	2,574	2,652	2,730	2,808	2,886	2,964	3,042	3,120	3,198	3,276
$250 to $349.99	2,015	2,080	2,145	2,210	2,275	2,340	2,405	2,470	2,535	2,600	2,665	2,730
$200 to $249.99	1,612	1,664	1,716	1,768	1,820	1,872	1,924	1,976	2,028	2,080	2,132	2,184
$100 to $199.99	1,209	1,248	1,287	1,326	1,365	1,404	1,443	1,482	1,521	1,560	1,599	1,638
Under $100	806	832	858	884	910	936	962	988	1,014	1,040	1,066	1,092

(To be effective on the first day of the first pay period beginning on or after July 1, 1963, and thereafter)

Gross receipts	*Per annum rates and steps*											
	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*	*12*
$1,300 to $1,499.99	$3,776	$3,898	$4,020	$4,142	$4,264	$4,386	$4,508	$4,630	$4,752	$4,874	$4,996	$5,118
$900 to $1,299.99	3,356	3,464	3,572	3,680	3,788	3,896	4,004	4,112	4,220	4,328	4,436	4,544
$600 to $899.99	2,937	3,032	3,127	3,222	3,317	3,412	3,507	3,602	3,697	3,792	3,887	3,982
$350 to $599.99	2,517	2,598	2,679	2,760	2,841	2,922	3,003	3,084	3,165	3,246	3,327	3,408
$250 to $349.99	2,098	2,166	2,234	2,302	2,370	2,438	2,506	2,574	2,642	2,710	2,778	2,846
$200 to $249.99	1,678	1,732	1,786	1,840	1,894	1,948	2,002	2,056	2,110	2,164	2,218	2,272
$100 to $199.99	1,258	1,298	1,338	1,378	1,418	1,458	1,498	1,538	1,578	1,618	1,658	1,698
Under $100	839	866	893	920	947	974	1,001	1,028	1,055	1,082	1,109	1,136

(b) The basic salary of postmasters in fourth-class post offices shall be readjusted for changes in gross receipts at the start of the first pay period after the beginning of each fiscal year. [In adjusting a postmaster's basic salary under this section the basic salary shall be fixed at the lowest step which is higher than the basic salary received by the postmaster at the end of the preceding fiscal year.] *When a post office is restored to a gross receipts category held by it prior to relegation to a lower gross receipts category, the postmaster's basic salary shall be adjusted to the highest salary step held by him when the post office was in the higher gross receipts category. In all other cases, in adjusting a postmaster's basic salary under this section, the basic salary shall be fixed at the lowest step which is higher than the basic salary received by the postmaster at the end of the preceding fiscal year.* If there is no such step, the basic salary shall be fixed at the highest step for the adjusted gross receipts of the office. Each increase in basic salary because of change in gross receipts shall be deemed the equivalent of a step-increase under section 3552 of this title and the waiting period, for purposes of advancement to the next step, shall begin on the date of adjustment.

* * * * * * *

SALARY STEPS AND PROMOTIONS

* * * * * * *

[§ 3552. Automatic Advancement by Step Increases

[(a) Except as to a substitute employee in the Postal Transportation Service whose position is allocated to salary level PFS–5 as a distribution clerk in a railway or highway post office, each employee whose position is allocated to the Rural Carrier Schedule, the Fourth Class Office Schedule, or the Postal Field Service Schedule, who has not reached the highest step for his position, shall be advanced successively to the next higher step for his position at the beginning of the first pay period following the completion of each fifty-two calendar weeks of satisfactory service, if no equivalent increase in basic salary from any cause was received during the period of fifty-two calendar weeks. The benefit of successive step-increases shall be preserved, under regulations prescribed by the Postmaster General, for employees whose continuous service is interrupted by service in the Armed Forces.

[(b) Each substitute employee in the Postal Transportation Service, whose position is allocated to salary level PFS–5 as a distribution clerk in a railway or highway post office, shall be advanced in the manner prescribed for other employees under subsection (a) of this section, but may not be advanced beyond step four of salary level PFS–5.]

§ 3552. Automatic Advancement by Step Increases

(a) Each employee in the postal field service, who has not reached the highest step for his position, shall be advanced successively to the next higher step, as follows:

(1) To steps 2, 3, 4, 5, 6, and 7—at the beginning of the first pay period following the completion of fifty-two calendar weeks of satisfactory service; and

(2) To steps 8 and above—at the beginning of the first pay period following the completion of one hundred and fifty-six calendar weeks of satisfactory service.

The receipt of an equivalent increase during any of the waiting periods specified in paragraph (1) or (2) of this subsection shall cause a new full waiting period to commence for further step-increases.

(b) Any increase in basic compensation granted by law to employees in the postal field service shall not be deemed to be an equivalent increase in basic compensation within the meaning of subsection (a) of this section.

(c) The benefit of successive step-increases shall be preserved, under regulations prescribed by the Postmaster General, for employees whose continuous service is interrupted by service in the armed services.

* * * * * * *

[§ 3558. Longevity Step Increases

[(a) There are established for each employee longevity steps A, B, and C. For each promotion to a longevity step—

[(1) each postmaster at a post office of the fourth class shall receive an amount equal to 5 per centum of his basic salary, or $100 per annum, whichever is the lesser, and

[(2) each employee, other than a postmaster at a post office of the fourth class, shall receive $100 per annum.

In computing the percentage increase under this subsection the amount of the increase shall be rounded to the nearest dollar. A half dollar or one-half cent shall be rounded to the next highest dollar or cent, respectively.

[(b) Each employee shall be assigned to—

[(1) longevity step A at the beginning of the pay period following the completion of thirteen years of service;

[(2) longevity step B at the beginning of the pay period following the completion of eighteen years of service; and

[(3) longevity step C at the beginning of the pay period following the completion of twenty-five years of service.

[(c) (1) There shall be credited, for the purposes of subsection (b) time on the rolls—

[(A) in the postal field service or in the Post Office Department, except time on the rolls as a subsitute rural carrier;

[(B) in the custodial service of the Department of the Treasury continuous to the date of the transfer of the employee to the custodial service of the Post Office Department in accordance with Executive Order Numbered 6166, dated June 10, 1933;

[(C) as a special delivery messenger at a first class post office;

[(D) as a clerk in a third class post office for which payment is made from authorized allowances;

[(E) under the Postal Accounts Division, including time on the rolls under the former Post Office Department Division, in the General Accounting Office continuous to the date of the transfer of the employee to the Post Office Department in accordance with section 7(a) of the Post Office Department Financial Control Act of 1950; and

[(F) in the Panama Canal Zone postal service.

[(2) In determining longevity credit for the purposes of subsection (b) in the case of an employee whose continuous service in the postal

field service or in the departmental service of the Post Office Department is interrupted by service with the Armed Forces or to comply with a transfer during war or national emergency as defined by the United States Civil Service Commission, time engaged in that service with the Armed Forces or on the transfer shall be credited pro rata for each week of the service. Service specified in this subsection, whether continuous or intermittent, shall be credited on the basis of one week for each whole week the employee has been on the rolls, except that credit may not be allowed for time on the rolls under a temporary appointment for one year or less unless the time on the rolls is continuous to the date of appointment to a position of unlimited duration.

[(d) Increases under this section are not equivalent increases within the meaning of section 3552. of this title.

[(e) Payment of longevity compensation may not be made by reason of clause (F) of subsection (c)(1) of this section, for any period prior to September 6, 1958.

[§ 3559. Promotions

[(a) An employee who is promoted or transferred to a position in a higher salary level of the Postal Field Service Schedule shall be paid basic salary at the lowest step of the higher salary level which exceeds his existing basic salary by not less than the amount of difference between the entrance step of the salary level from which promoted and the entrance step of the salary level immediately above the salary level from which promoted. If there is no step in the salary level to which the employee is promoted which exceeds his existing basic salary by at least the amount of the difference, the employee shall be paid (1) the maximum step of the salary level to which promoted, or (2) his existing basic salary, whichever is higher.

[(b) Regular clerks and carriers in first and second class post offices are not eligible for promotion to positions of higher salary levels in their respective offices unless they are in the maximum steps of their respective salary levels. If for any reason clerks and carriers in the maximum steps are not available those clerks and carriers in the lower steps in the offices are eligible for the promotion.]

§ 3559. Promotions

An employee who is promoted to a position in the Postal Field Service Schedule which is not more than two salary levels above the salary level of the position from which promoted shall be paid basic compensation at the lowest step of the higher salary level which exceeds his existing basic compensation by not less than two steps of the salary level from which promoted. An employee who is promoted to a position in the Postal Field Service Schedule which is more than two salary levels above the level of the position from which promoted shall be paid basic compensation at the lowest step of the higher salary level which exceeds his existing basic compensation by not less than three steps of the salary level from which promoted. If there is no step in the salary level to which the employee is promoted which exceeds his existing basic compensation by at least the amount of the specified difference, the employee shall be paid the maximum step of the salary level to which promoted, or his existing basic compensation, whichever is higher.

§ 3560. Salary protection

(a) As used in this section, the term "salary standing" means—

(1) basic salary and salary level, with respect to the Postal Field Service Schedule [(excluding salary levels PFS 17, 18, 19, and 20)],

(2) salary for the particular route (including additional compensation for forty hours and under for serving heavily patronized routes), with respect to the Rural Carrier Schedule, and

(3) gross receipts category, with respect to the Fourth-Class Office Schedule.

(b) Subject to the provisions of subsection (c) of this section, each employee—

(1) who at any time on or after July 1, 1961, is or was reduced in salary standing;

(2) who, on the effective date of such reduction in salary standing, holds or held a career appointment or a probational appointment in the postal field service;

(3) whose reduction in salary standing is not or was not caused by a demotion for personal cause, is not or was not at his own request, is not or was not a condition of his temporary promotion or temporary assignment to a higher salary standing, is not or was not a condition of his temporary appointment, and is not or was not effected in a reduction in force due to lack of funds or curtailment of work;

[(4) who, for two continuous years immediately prior to such reduction in salary standing, served in the postal field service with the same salary standing or with the same and higher salary standing; and]

(4) who, for two continuous years immediately prior to such reduction in salary standing, served in the postal field service with any salary standing higher than the salary standing to which he is reduced; and

(5) whose performance of work at all times during such period of two years is or was satisfactory;

shall be entitled, as of the effective date of such reduction in salary standing or as of the first day of the first pay period which begins on or after the date of enactment of this section, whichever is later, unless or until he is entitled to receive basic salary at a higher rate by reason of the operation of this section, or until the expiration of a period of two years immediately following the effective date of such reduction in salary standing or immediately following the first day of such first pay period, as applicable, to receive the rate of basic salary to which he was entitled immediately prior to such reduction in salary standing (including each increase provided by law in such rate of basic salary) so long as he continues in the postal field service without any break in service of one workday or more and is not demoted or reassigned for personal cause, at his own request, or in a reduction in force due to lack of funds or curtailment of work.

(c) The rate of basic salary to which such employee is entitled under subsection (b) of this section with respect to each reduction in salary standing to which this section applies shall be the lesser of the following:

(A) the amount of the existing rate of basic salary of the employee immediately prior to the reduction in salary standing (including each increase provided by law in such rate); or

(B) the amount of the rate of the salary level or salary range (including each increase provided by law in such rate) to which the employee is reduced, increased by 25 per centum[.]; *or*

(C) the amount of the rate in the lowest salary standing which such employee held during the two years immediately preceding such reduction in salary standing augmented by each step increase which he would have earned in such salary standing and by each increase provided by law in such salary rate.

(d) The Postmaster General is authorized to issue regulations to carry out the purposes of this section.

(e)(1) For the purposes of section 3559(a), the existing basic salary shall be the basic salary which the employee would have received except for the provisions of this section.

(2) For the purposes of section 3544(h), the basic compensation earned shall be the basic compensation which the employee would have received except for the provisions of this section.

(f) For the purposes of this section, the term "curtailment of work" does not include—

(1) reductions in class or gross receipts category of any post office, or

(2) reductions in route mileage for rural carriers.

HOURS OF WORK AND OVERTIME

* * * * * * *

§ 3575. Exemptions

(a) * * *

(b) Sections 3571 and 3573 of this title do not apply [to substitute employees and] to employees in the Postal Transportation Service and the Motor Vehicle Service assigned to road duty.

* * * * * * *

THE CLASSIFICATION ACT OF 1949

* * * * * * *

TITLE V—AUTHORITY AND PROCEDURE

* * * * * * *

SEC. 505. (a) * * *

(b) Subject to subsections (c), (d), (e), (f), (g), and (j) of this section, a majority of the Civil Service Commissioners are authorized to establish and, from time to time, revise the maximum numbers of positions (not to exceed an aggregate of [nineteen hundred and eighty-nine] *two thousand and forty*) which may be in grades 16, 17, and 18 of the General Schedule at any one time, except that under such authority—

(1) not to exceed 25 per centum of such aggregate number may be placed in grade 17 and not to exceed 12 per centum of such aggregate number may be placed in grade 18;

(2) fifty of such positions shall be available only for allocation, with the approval of the President, for agencies or functions created after the date of enactment of this subparagraph;

(3) fourteen of such positions shall be available only for allocation to the United States Arms Control and Disarmament Agency;

(4) six of such positions shall be available only for allocation to the Immigration and Naturalization Service of the Department of Justice; and

(5) four of such positions shall be available only for allocation to the Federal Home Loan Bank Board.

* * * * * * *

SEC. 507. (a) Subject to the limitation contained in subsection (c) of this section, each officer or employee subject to this Act—

(1) who at any time after June 17, 1956, is or was reduced in grade from any grade of a basic compensation schedule of this Act [(other than grade 16, 17, or 18 of the General Schedule)];

(2) who, on the effective date of such reduction in grade, holds or held a career or career-conditional appointment in the competitive civil service or an appointment of equivalent tenure in the excepted service or holds or held a position outside the competitive civil service and the excepted service as an officer or employee of the Library of Congress, of the Architect of the Capitol, of the Botanic Garden, or of the municipal government of the District of Columbia;

(3) whose reduction in grade is not or was not caused by a demotion for personal cause, is not or was not at his own request, is not or was not effected in a reduction in force due to lack of funds or curtailment of work and, with respect to each temporary promotion occurring on or after the date of enactment of this amendment, is not a condition of his temporary promotion to a higher grade;

(4) who, for two continuous years immediately prior to such reduction in grade, served (A) in the same department and (B) [in the same grade or in the same and higher grades;] *in any grade or grades higher than the grade to which demoted;* and

(5) whose performance of work at all times during such period of two years is or was satisfactory or better than satisfactory,

shall be entitled, as of the effective date of such reduction in grade or as of the first day of the first pay period which begins after the date of enactment of this amendment, whichever is later, unless or until he is entitled to receive basic compensation at a higher rate by reason of the operation of this Act, or until the expiration of a period of two years immediately following the effective date of such reduction in grade or immediately following the first day of such first pay period, as applicable, to receive the rate of basic compensation to which he was entitled immediately prior to such reduction in grade (including each increase provided by law in such rate of basic compensation) so long as he continues in the same department without any break in service of one workday or more and is not demoted or reassigned for personal cause, at his own request, or in a reduction in force due to lack of funds or curtailment of work.

(b) Subject to the limitation contained in subsection (c) of this section, each officer or employee subject to this Act—

(1) who, during the period beginning July 1, 1954, and ending June 17, 1956, was reduced in grade from any grade of a basic compensation schedule of this Act (other than grade 16, 17, or 18 of the General Schedule);

(2) whose reduction in grade was not caused by a demotion for personal cause, was not at his own request, and was not effected in a reduction in force due to lack of funds or curtailment of work;

(3) who, for two continuous years immediately prior to such reduction in grade, served (A) in the same department and (B) in the same grade or in the same and higher grades;

(4) whose performance of work at all times during such period of two years was satisfactory or better than satisfactory; and

(5) whose employment in the same department has been continuous since such reduction in grade and who, since such reduction in grade, has not been demoted or reassigned for personal cause, at his own request, or in a reduction in force due to lack of funds or curtailment of work,

shall be entitled, as of the first day of the first pay period which begins after the date of enactment of this amendment, unless or until he is entitled to receive basic compensation at a higher rate by reason of the operation of this Act, or until the expiration of a period of two years immediately following the first day of such first pay period, as applicable, to receive the rate of basic compensation to which he was entitled immediately prior to such reduction in grade (including each increase provided by law in such rate of basic compensation) so long as he continues in the same department without any break in service of one workday or more and is not demoted or reassigned for personal cause, at his own request, or in a reduction in force due to lack of funds or curtailment of work.

(c) The rate of basic compensation to which such officer or employee is entitled under subsection (a) or (b) of this section with respect to each reduction in grade to which this section applies shall not exceed the sum of (1) the minimum scheduled rate of the grade to which he is reduced under each such reduction in grade occurring on or after July 1, 1954 (including each increase provided by law in such rate), and (2) the difference between his rate immediately prior to the first of such reductions in grade occurring on or after July 1, 1954 (including each increase provided by law in such rate), and the minimum scheduled rate of that grade which is three grades lower than the grade from which he was reduced under the first of such reductions in grade (including each increase provided by law in such rate).

(d) The Civil Service Commission is authorized to issue regulations to carry out the purposes of this section.

* * * * * * *

TITLE VI—BASIC COMPENSATION SCHEDULES

* * * * * * *

SEC. 603. (a) The rates of basic compensation with respect to officers, employees, and positions to which this Act applies shall be in accordance with the compensation schedule contained in subsection (b).

(b) The compensation [schedule] *schedules* for the General Schedule shall be as follows:

[

Grade	Per annum rates						
GS-1	$3,185	$3,290	$3,395	$3,500	$3.605	$3,710	$3,815
GS-2	3,500	3,605	3,710	3,815	3,920	4,025	4,130
GS-3	3,760	3,865	3,970	4,075	4,180	4,285	4,390
GS-4	4,040	4,145	4,250	4,355	4,460	4,565	4,670
GS-5	4,345	4,510	4,675	4,840	5,005	5,170	5.335
GS-6	4,830	4,995	5,160	5,325	5,490	5,655	5,820
GS-7	5,355	5,520	5,685	5,850	6,015	6.180	6,345
GS-8	5,885	6,050	6,215	6,380	6,545	6,710	6,875
GS-9	6,435	6,600	6,765	6,930	7,095	7,260	7,425
GS-10	6,995	7,160	7,325	7,490	7,655	7,820	7,985
GS-11	7,560	7,820	8,080	8,340	8,600	8,860	----------
GS-12	8,955	9,215	9,475	9,735	9,995	10,255	----------
GS-13	10,635	10,895	11,155	11,415	11,675	11,935	----------
GS-14	12,210	12,470	12,730	12,990	13.250	13,510	----------
GS-15	13,730	14,055	14,380	14,705	15,030	----------	----------
GS-16	15,255	15,515	15,775	16,035	16,295	----------	----------
GS-17	16,530	16,790	17,050	17,310	17,570	----------	----------
GS-18	18,500	----------	----------	----------	----------	----------	----------

]

COMPENSATION SCHEDULE I

(To be effective for the period beginning as of the first day of the first pay period beginning on or after July 1, 1962, and ending immediately prior to the applicable initial effective date of Compensation Schedule II set forth below)

Grade	*Per annum rates and steps*									
	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*
GS-1	*$3,365*	*$3,475*	*$3,585*	*$3,695*	*$3,805*	*$3,915*	*$4,025*	*$4,135*	*$4,245*	*$4,355*
GS-2	*3,700*	*3,810*	*3,920*	*4,030*	*4,140*	*4,250*	*4,360*	*4,470*	*4,580*	*4,690*
GS-3	*3,975*	*4,085*	*4,195*	*4,305*	*4,415*	*4,525*	*4,635*	*4,745*	*4,855*	*4,965*
GS-4	*4,280*	*4,390*	*4,500*	*4,610*	*4,720*	*4,830*	*4,940*	*5,050*	*5,160*	*5,270*
GS-5	*4,695*	*4,855*	*5,015*	*5,175*	*5,335*	*5,495*	*5,655*	*5,815*	*5,975*	*6,135*
GS-6	*5,035*	*5,205*	*5,375*	*5,545*	*5,715*	*5,885*	*6,055*	*6,225*	*6,395*	*6,565*
GS-7	*5,540*	*5,725*	*5,910*	*6,095*	*6,280*	*6,465*	*6,650*	*6,835*	*7,020*	*7,205*
GS-8	*6,090*	*6,295*	*6,500*	*6,705*	*6,910*	*7,115*	*7,320*	*7,525*	*7,730*	*7,935*
GS-9	*6,675*	*6,900*	*7,125*	*7,350*	*7,575*	*7,800*	*8,025*	*8,250*	*8,475*	*8,700*
GS-10	*7,290*	*7,535*	*7,780*	*8,025*	*8,270*	*8,515*	*8,760*	*9,005*	*9,250*	*9,495*
GS-11	*7,960*	*8,225*	*8,490*	*8,755*	*9,020*	*9,285*	*9,550*	*9,815*	*10,080*	*10,345*
GS-12	*9,380*	*9,695*	*10,010*	*10,325*	*10,640*	*10,955*	*11,270*	*11,585*	*11,900*	*12,215*
GS-13	*10,965*	*11,330*	*11,695*	*12,060*	*12,425*	*12,790*	*13,155*	*13,520*	*13,885*	*14,250*
GS-14	*12,665*	*13,090*	*13,515*	*13,940*	*14,365*	*14,790*	*15,215*	*15,640*	*16,065*	*16,490*
GS-15	*14,495*	*14,975*	*15,455*	*15,935*	*16,415*	*16,895*	*17,375*	*17,855*	*18,335*	*18,815*
GS-16	*16,400*	*16,945*	*17,490*	*18,035*	*18,580*	*19,125*	*19,670*	----------	----------	----------
GS-17	*18,350*	*18,960*	*19,570*	*20,180*	----------	----------	----------	----------	----------	----------
GS-18	*20,315*	----------	----------	----------	----------	----------	----------	----------	----------	----------

COMPENSATION SCHEDULE II

(To be effective on the first day of the first pay period beginning on or after July 1, 1963, and thereafter)

Grade	Per annum rates and steps									
	1	2	3	4	5	6	7	8	9	10
GS-1	$3,435	$3,545	$3,655	$3,765	$3,875	$3,985	$4,095	$4,205	$4,315	$4,425
GS-2	3,775	3,885	3,995	4,105	4,215	4,325	4,435	4,545	4,655	4,765
GS-3	4,055	4,165	4,275	4,385	4,495	4,605	4,715	4,825	4,935	5,045
GS-4	4,255	4,365	4,475	4,585	4,695	4,805	4,915	5,025	5,135	5,245
GS-5	4,750	4,915	5,080	5,245	5,410	5,575	5,740	5,905	6,070	6,235
GS-6	5,255	5,410	5,585	5,760	5,935	6,110	6,285	6,460	6,635	6,810
GS-7	5,795	5,990	6,185	6,380	6,575	6,770	6,965	7,160	7,355	7,550
GS-8	6,420	6,635	6,850	7,065	7,280	7,495	7,710	7,925	8,140	8,355
GS-9	7,095	7,330	7,565	7,800	8,035	8,270	8,505	8,740	8,975	9,210
GS-10	7,800	8,060	8,320	8,580	8,840	9,100	9,360	9,620	9,880	10,140
GS-11	8,580	8,865	9,150	9,435	9,720	10,005	10,290	10,575	10,860	11,145
GS-12	10,270	10,615	10,960	11,305	11,650	11,995	12,340	12,685	13,030	13,375
GS-13	12,190	12,595	13,000	13,405	13,810	14,215	14,620	15,025	15,430	15,835
GS-14	14,310	14,785	15,260	15,735	16,210	16,685	17,160	17,635	18,110	18,585
GS-15	16,620	17,175	17,730	18,285	18,840	19,395	19,950	20,505	21,060	21,615
GS-16	19,125	19,760	20,395	21,030	21,665	22,300	22,935	----	----	----
GS-17	21,705	22,480	23,205	23,930	----	----	----	----	----	----
GS-18	24,500	----	----	----	----	----	----	----	----	----

* * * * * * *

TITLE VII—STEP-INCREASES

SEC. 701. (a) Each officer or employee compensated on a per annum basis, and occupying a permanent position within the scope of the compensation schedules fixed by this Act, who has not attained the maximum [scheduled] rate of compensation for the grade in which his position is placed, shall be advanced in compensation successively to the next higher rate within the grade at the beginning of the next pay period following the completion of (1) each fifty-two calendar weeks of service [if his position is in a grade in which the step-increases are less than $200, or (2) each seventy-eight calendar weeks of service if his position is in a grade in which the step-increases are $200 or more] *in salary rates 1, 2, and 3, or (2) each one hundred and four calendar weeks of service in salary rates 4, 5, and 6, or (3) each one hundred and fifty-six calendar weeks of service in salary rates 7, 8, and 9,* subject to the following conditions:

(A) That no equivalent increase in compensation from any cause was received during such period [, except increase made pursuant to section 702 or 1002];

[(B) That he has a current performance rating of "Satisfactory" or better; and]

(B) That his work is of an acceptable level of competence as determined by the head of the department; and

(C) That the benefit of successive step-increases shall be preserved, under regulations issued by the Commission for officers and employees whose continuous service is interrupted in the public interest by service with the [armed forces] *Armed Forces* or by service in essential non-Government civilian employment during a period of war or national emergency.

(b) Any increase in compensation granted by law [after June 30, 1951,] shall not be construed to be an equivalent increase in compensation within the meaning of subsection (a).

[NOTE.—Sec. 702 of the Classification Act of 1949 was repealed by sec. 305 of the Act of Sept. 1, 1954 (68 Stat. 1113; Public Law 763, 83d Cong.).]

[SEC. 703. (a) Subject to subsection (b) and as a reward for long and faithful service, each department shall grant an additional step-increase (to be known as a longevity step-increase) beyond the maximum scheduled rate of the grade in which his position is placed, to each officer or employee for each three years of continuous service completed by him at such maximum rate or at a rate in excess thereof authorized by this section without increase in grade or rate of basic compensation except such increase as may be prescribed by any provision of law of general application. Officers and employees who are otherwise eligible shall receive full credit under this subsection for service at the maximum authorized salary rate specified in the Bachrach Act of May 29, 1928, as amended and supplemented, and the Reed-Jenkins Act of May 29, 1928, as amended to the same extent as if such service had been at the maximum rate of a grade of the Classification Act of 1923, as amended.

[(b)(1) No officer or employee shall be entitled to a longevity step-increase while holding a position in any grade above grade 15 of the General Schedule.

[(2) No officer or employee shall receive a longevity step-increase unless his current performance rating is "Satisfactory" or better.

[(3) No officer or employee shall receive more than one longevity step-increase for any three years of continuous service.

[(4) Each longevity step-increase shall be equal to one step-increase of the grade in which the position of the officer or employee is placed.

[(5) Not more than three successive longevity step-increases may be granted to any officer or employee.

[(6) The officer or employee shall have had, in the aggregate, not less than ten years of service in the position which he then occupies, or in positions of equivalent or higher class or grade.

[(c) When an officer or employee, receiving basic compensation at a rate in excess of the maximum scheduled rate for his grade under section 604, section 1105(b), or any other provision of law, is eligible for his first longevity step-increase beyond the maximum rate of such grade he shall—

> [(1) receive total basic compensation which is equal to the basic compensation at the maximum scheduled rate for his grade plus such first longevity step-increase, or
>
> [(2) continue to receive compensation at such rate in excess of the maximum scheduled rate for his grade, if the compensation at such rate is higher than the total basic compensation specified in paragraph (1).

In case any such officer or employee receiving compensation under paragraph (2) is eligible for a subsequent successive longevity step-increase, he shall—

> [(A) receive the same total basic compensation which he would be entitled to receive after such subsequent longevity step-increase, if his total basic compensation had, at the time he was eligible for his first longevity step-increase, been determined under paragraph (1), or
>
> [(B) continue to receive compensation under paragraph (2) if such compensation is higher than the total basic compensation specified in paragraph (A).

[SEC. 704. In the case of officers and employees in grades 11 to 15, inclusive, of the General Schedule who are receiving compensation at or above the maximum scheduled rates for their respective grades

on the date immediately preceding the effective date of this amendatory section, not to exceed three years of service performed immediately preceding such effective date shall be counted toward longevity step-increases under section 703. Notwithstanding subsection (b)(4) of section 703, longevity step-increases for grade 15 of the General Schedule shall be the same as those for grade 14 of the General Schedule.]

SEC. 702. (a) Within the limit of available appropriations and in accordance with regulations prescribed by the Commission, the head of each department is authorized to grant additional step-increases in recognition of high quality performance above that ordinarily found in the type of position concerned. Step-increases under this section shall be in addition to those under section 701 and shall not be construed to be an equivalent increase in compensation within the meaning of subsection (a) of section 701.

(b) No officer or employee shall be eligible under this section for more than one such additional step-increase within any period of fifty-two weeks.

SEC. [705.] *703.* This title shall not apply to the compensation of persons appointed by the President, by and with the advice and consent of the Senate.

TITLE VIII—GENERAL COMPENSATION RULES

SEC. 801. All new appointments shall be made at the minimum rate of the appropriate grade, *except that the head of any department may, in accordance with regulations prescribed by the Commission, (1) appoint individuals who have extra qualifications for the position concerned at such higher rate or rates of a grade as the Commission may authorize for this purpose, and (2) make new appointments at rates above the minimum rate of the appropriate grade when the minimum rate would be less than the salary received by a well qualified appointee immediately prior to appointment, but no appointment under this clause (2) shall be made at a rate higher than the lowest rate of the appropriate grade which equals or exceeds an appointee's salary rate immediately prior to appointment.*

SEC. 802. (a) The rate of basic compensation to be received by any officer or employee to whom this Act applies shall be governed by regulations issued by the Commission in conformity with this Act when—

(1) he is transferred from a position in the legislative, judicial, or executive branch to which this Act does not apply;

(2) he is transferred from any position in the legislative, judicial, or executive branch to which this Act applies to another such position;

(3) he is demoted to a position in a lower grade;

(4) he is reinstated, reappointed, or reemployed in any position subject to this Act following service in any position in the legislative, judicial, or executive branch;

(5) his type of appointment is changed;

(6) his employment status is otherwise changed; or

(7) his position is changed from one grade to another grade.

(b) Any officer or employee who is promoted or transferred to a position in a higher grade shall receive basic compensation at the lowest rate of such higher grade which exceeds his existing rate of

basic compensation by not less than [one step-increase] *two step-increases* of the grade from which he is promoted or transferred. If, in the case of any officer or employee so promoted or transferred, who is receiving [(1) one or more longevity step-increases under section 703, or (2)] basic [compensation at a rate in excess of the maximum [scheduled] rate for his grade under [section 604, section 1105(b), or] any [other] provision of law, there is no rate in such higher grade which is at least [one step-increase] *two step-increases* above his existing rate of basic compensation, he shall receive [(A)] *(1)* the maximum [scheduled] rate of such higher grade, or [(B)] *(2)* his existing rate of basic compensation, if such existing rate is the higher. *In case any such officer or employee so promoted or transferred is receiving basic compensation at a rate saved to him under section 507 of this Act upon reduction in grade, such officer or employee shall receive (A) basic compensation at a rate two steps above the rate which he would be receiving if such section 507 were not applicable in his case, or (B) his existing rate of basic compensation, if such existing rate is the higher.*

(c) Any employee in the legislative branch whose compensation is disbursed by the Secretary of the Senate or the Clerk of the House of Representatives, and who has completed two or more years of service as such an employee, and any Member of the Senate or House of Representatives who has completed two or more years of service as such a Member, may upon appointment to a position subject to the Classification Act of 1949 have his initial rate of compensation fixed at the minimum rate of the appropriate grade, or at any step of such grade that does not exceed the highest previous rate of compensation received by him during such service in the legislative branch.

(d) The Commission may issue regulations governing the retention of the rate of basic compensation of an employee who together with his position is brought under this Act. If any such employee so entitled to receive a retained rate under regulations issued pursuant to this subsection is demoted to a position under this Act, his rate of basic compensation shall be determined in accordance with section 507 of this Act, except that service in the position which was brought under the Act shall, for purposes of section 507, be considered as service under this Act.

[Sec. 803. (a) Whenever the Commission shall find (1) that a sufficient number of qualified eligibles for positions in a given class cannot be secured in one or more areas or locations at the existing minimum rate for such class, and (2) that there is a possibility that a sufficient number of such eligibles can be secured by increasing the minimum rate for such class in such areas or locations to one of the higher rates within the grade in which such class is placed, the Commission may establish such higher rate as the minimum rate for that class in each area or location concerned.

[(b) Minimum rates established under subsection (a) may be revised from time to time by the Commission. Such actions or revisions shall have the force and effect of law.

[(c) Any increase in rate of basic compensation resulting from the establishment of minimum rates under this section shall not be regarded as an "equivalent increase" in compensation within the meaning of section 701(a).]

Sec. 803. Each employee in a position under this Act who regularly has responsibility for supervision (including supervision over the technical aspects of the work concerned) over employees whose compensation

is fixed and adjusted from time to time by wage boards or similar administrative authorities as nearly as is consistent with the public interest in accordance with prevailing rates, may, in accordance with regulations issued by the Commission, be paid at one of the scheduled rates for his grade which is above the highest rate of basic compensation being paid to any such prevailing-rate employee regularly supervised, or at the maximum rate for his grade, as provided for in such regulations.

TITLE 38 OF THE UNITED STATES CODE

CHAPTER 73—DEPARTMENT OF MEDICINE AND SURGERY

Sec.
4101. Functions of Department.
4102. Divisions of Department.
4103. Appointments and compensation.
4104. Additional appointments.
4105. Qualifications of appointees.
4106. Period of appointment; promotions.
4107. Grades and pay scales.
4108. [Specialist ratings.] *Administration.*
4109. Retirement rights.
4110. Disciplinary boards.
4111. Appointment of additional employees.
4112. Medical advisory group.
4113. Travel expenses of employees.
4114. Temporary and part-time appointments; residencies and internships.
4115. Regulations.

* * * * * * *

[§ 4103. Appointments and compensation

[(a) The Office of the Chief Medical Director shall consist of the Chief Medical Director, one Deputy Chief Medical Director, not to exceed eight Assistant Chief Medical Directors, and such other personnel and employees as may be authorized by this chapter.

[(b) The Chief Medical Director shall be the Chief of the Department of Medicine and Surgery and shall be directly responsible to the Administrator for the operations of the Department. He shall be a qualified doctor of medicine, appointed by the Administrator. During the period of his service as such, the Chief Medical Director shall be paid a salary of $21,050 a year.

[(c) The Deputy Chief Medical Director shall be the principal assistant of the Chief Medical Director. He shall be a qualified doctor of medicine, appointed by the Administrator. During the period of his service as such, the Deputy Chief Medical Director shall be paid a salary of $19,870 a year.

[(d) Each Assistant Chief Medical Director shall be appointed by the Administrator upon the recommendation of the Chief Medical Director and shall be paid a salary of $18,685 a year. One assistant Chief Medical Director shall be a qualified doctor of dental surgery or dental medicine who shall be directly responsible to the Chief Medical Director for the operations of the Dental Service. Not to exceed twenty-five directors of service or chiefs of division, designated by the Chief Medical Director, shall, within the limitations otherwise prescribed in this chapter, be paid a salary of $15,640 minimum to $17,740 maximum.

[(e) The Director and Deputy Director of Nursing Service shall be qualified registered nurses, appointed by the Administrator and shall be responsible to the Chief Medical Director for the operation of the Nursing Service. During the period of her service as such, the Director of Nursing Service shall be paid a salary of $13,730 minimum to $15,030 maximum a year and the Deputy Director shall be paid a salary of $12,210 minimum to $13,510 maximum a year.

[(f) The Administrator may appoint a chief pharmacist, a chief dietitian, a chief physical therapist, and a chief occupational therapist. During the period of his service as such, the chief pharmacist and the chief dietitian shall be paid a salary of $13,730 minimum to $15,030 maximum a year and the chief physical therapist and the chief occupational therapist shall be paid a salary of $12,210 minimum to $13,510 maximum a year.

[(g) Except as provided in subsection (i), any appointment under this section shall be for a period of four years subject to removal by the Administrator for cause.

[(h) Reappointments may be made for successive like periods.

[(i) The Administrator may designate a member of the Chaplain Service of the Veterans Administration as Director, Chaplain Service, for a period of two years, subject to removal by the Administrator for cause. During the period that any such member serves as Director, Chaplain Service, he shall be paid a salary, as determined by the Administrator, within the minimum and maximum salary limitations prescribed for Grade GS–15 positions by the Classification Act of 1949, as amended. Redesignations under this subsection may be made for successive like periods. An individual designated as Director, Chaplain Service, shall at the end of his period of service as Director revert to the position, grade, and status which he held immediately prior to being designated Director, Chaplain Service, and all service as Director, Chaplain Service, shall be creditable as service in the former position.]

§ *4103. Appointments and compensation*

(a) The Office of the Chief Medical Director shall consist of the Chief Medical Director, one Deputy Chief Medical Director, not to exceed five Assistant Chief Medical Directors, such Medical Directors as may be designated by the Chief Medical Director to suit the needs of the Department, and such other personnel and employees as may be authorized by this chapter.

(b) The Chief Medical Director shall be the Chief of the Department of Medicine and Surgery and shall be directly responsible to the Administrator for the operations of the Department. He shall be a qualified doctor of medicine, appointed by the Administrator. During the period of his service as such, the Chief Medical Director shall be paid, effective on the first day of the first pay period beginning on or after—

July 1, 1962, a salary of $23,000 a year;

July 1, 1963, a salary of $28,000 a year.

(c) The Deputy Chief Medical Director shall be the principal assistant to the Chief Medical Director. He shall be a qualified doctor of medicine, appointed by the Administrator. During the period of his service as such, the Deputy Chief Medical Director shall be paid, effective on the first day of the first pay period beginning on or after—

July 1, 1962, a salary of $22,245 a year;

July 1, 1963, a salary of $27,290 a year.

(d) Each Assistant Chief Medical Director shall be appointed by the Administrator upon the recommendation of the Chief Medical Director and shall be paid, effective on the first day of the first pay period beginning on or after—

July 1, 1962, a salary of $20,315 a year;

July 1, 1963, a salary of $24,500 a year.

One Assistant Chief Medical Director shall be a qualified doctor of dental surgery or dental medicine who shall be directly responsible to the Chief Medical Director for the operations of the Dental Service.

(e) Medical Directors, during their period of service as such, shall be paid, effective on the first day of the first pay period beginning on or after—

July 1, 1962, a salary of $18,960 minimum to $20,180 maximum a year;

July 1, 1963, a salary of $22,480 minimum to $23,930 maximum a year.

(f) The Director of Nursing Service shall be a qualified registered nurse, appointed by the Administrator, and shall be responsible to the Chief Medical Director for the operation of the Nursing Service. During the period of service as such, the Director of Nursing Service shall be paid, effective on the first day of the first pay period beginning on or after—

July 1, 1962, a salary of $14,495 minimum to $18,815 maximum a year;

July 1, 1963, a salary of $16,620 minimum to $21,615 maximum a year.

(g) The Administrator may appoint a chief pharmacist and a chief dietitian. During the period of his service as such, the chief pharmacist and the chief dietitian shall be paid, effective on the first day of the first pay period beginning on or after—

July 1, 1962, a salary of $14,495 minimum to $18,815 maximum a year;

July 1, 1963, a salary of $16,620 minimum to $21,615 maximum a year.

(h) Except as provided in subsection (j), any appointment under this section shall be for a period of four years but persons so appointed shall be subject to removal by the Adminstrator for cause.

(i) Reappointments may be made for successive like periods.

(j) The Administrator may designate a member of the Chaplain Service of the Veterans' Administration as Director, Chaplain Service, for a period of two years, subject to removal by the Administrator for cause. During the period that any such member serves as Director, Chaplain Service, he shall be paid a salary, as determined by the Administrator, within the minimum and maximum salary limitations prescribed for Grade GS–15 positions by the Classification Act of 1949, as amended. Redesignations under this subsection may be made for successive like periods. An individual designated as Director, Chaplain Service, shall at the end of his period of service as Director revert to the position, grade, and status which he held immediately prior to being designated Director, Chaplain Service, and all service as Director, Chaplain Service, shall be creditable as service in the former position.

* * * * * * *

[§ 4107. Grades and pay scales

[(a) The grades and per annum full-pay ranges for positions provided in paragraph (1) of section 4104 of this title shall be as follows:

[MEDICAL SERVICE

[Chief grade, $13,730 minimum to $15,030 maximum.
[Senior grade, $12,210 minimum to $13,510 maximum.
[Intermediate grade, $10,635 minimum to $11,935 maximum.
[Full grade, $8,955 minimum to $10,255 maximum.
[Associate grade, $7,560 minimum to $8,860 maximum.
[Junior grade, $6,995 minimum to $7,985 maximum.

[DENTAL SERVICE

[Chief grade, $13,730 minimum to $15,030 maximum.
[Senior grade, $12,210 minimum to $13,510 maximum.
[Intermediate grade, $10,635 minimum to $11,935 maximum.
[Full grade, $8,955 minimum to $10,255 maximum.
[Associate grade, $7,560 minimum to $8,860 maximum.
[Junior grade, $6,995 minimum to $7,985 maximum.

[NURSING SERVICE

[Assistant Director, $8,955 minimum to $10,255 maximum.
[Senior grade, $7,560 minimum to $8,860 maximum.
[Full grade, $6,435 minimum to $7,425 maximum.
[Associate grade, $5,600 minimum to $6,630 maximum.
[Junior grade, $4,760 minimum to $5,790 maximum.

[ADMINISTRATION

[(b) Notwithstanding any law, Executive order, or regulation, the Administrator shall prescribe by regulation the hours and conditions of employment and leaves of absence of physicians, dentists, and nurses.]

§ *4107. Grades and pay scales*

(a)(1) Effective on the first day of the first pay period beginning on or after July 1, 1962, the grades and per annum full-pay ranges for positions provided in paragraph (1) of section 4104 of this title shall be as follows:

PHYSICIAN AND DENTIST SCHEDULE

Director grade, $16,400 minimum to $19,670 maximum.
Executive grade, $15,410 minimum to $19,570 maximum.
Chief grade, $14,495 minimum to $18,815 maximum.
Senior grade, $12,665 minimum to $16,490 maximum.
Intermediate grade, $10,965 minimum to $14,250 maximum.
Full grade, $9,380 minimum to $12,215 maximum.
Associate grade, $7,960 minimum to $10,345 maximum.

NURSE SCHEDULE

Assistant Director grade, $12,665 minimum to $16,490 maximum.
Chief grade, $10,965 minimum to $14,250 maximum.
Senior grade, $9,380 minimum to $12,215 maximum.
Intermediate grade, $7,960 minimum to $10,345 maximum.
Full grade, $6,675 minimum to $8,700 maximum.
Associate grade, $5,820 minimum to $7,575 maximum.
Junior grade, $5,035 minimum to $6,565 maximum.

(2) Effective on the first day of the first pay period beginning on or after July 1, 1963, the per annum full pay range for positions provided in paragraph (1) of section 4104 of this title shall be as follows:

PHYSICIAN AND DENTIST SCHEDULE

Director grade, $19,125 minimum to $22,935 maximum.
Executive grade, $17,835 minimum to $22,595 maximum.
Chief grade, $16,620 minimum to $21,615 maximum.
Senior grade, $14,310 minimum to $18,585 maximum.
Intermediate grade, $12,190 minimum to $15,835 maximum.
Full grade, $10,270 minimum to $13,375 maximum.
Associate grade, $8,580 minimum to $11,145 maximum.

NURSE SCHEDULE

Assistant Director grade, $14,310 minimum to $18,585 maximum.
Chief grade, $12,190 minimum to $15,835 maximum.
Senior grade, $10,270 minimum to $13,375 maximum.
Intermediate grade, $8,580 minimum to $11,145 maximum.
Full grade, $7,095 minimum to $9,210 maximum.
Associate grade, $6,115 minimum to $7,960 maximum.
Junior grade, $5,235 minimum to $6,810 maximum.

(b) No person may hold the director grade unless he is serving as a director of a hospital, domiciliary, center, or outpatient clinic (independent). No person may hold the executive grade unless he holds the position of chief of staff at a hospital, center, or outpatient clinic (independent), or the position of clinic director, outpatient clinic, or comparable position.

[§ 4108. Specialist ratings

[(a) Within the restrictions herein imposed, the Chief Medical Director may rate any physician appointed under paragraph (1) of section 4104, or on a temporary full-time or part-time basis under section 4114(a), of this title as a medical or surgical specialist, and, upon the recommendation of the Assistant Chief Medical Director for Dentistry, may rate any doctor of dental surgery or dental medicine, appointed under paragraph (1) of section 4104, or on a temporary full-time or part-time basis under section 4114(a), of this title as a dental specialist; however, no person shall at any time hold more than one such rating.

[(b) No person may be rated as a medical, surgical, or dental specialist unless he is certified as a specialist by an American specialty Board recognized by the Administrator where such boards exist; or if no such boards exist, he has been examined and found qualified by a board appointed by the Chief Medical Director from specialists of

the Department of Medicine and Surgery holding ratings in the specialty to which the candidate aspires. Whenever there are insufficient specialists, rated in the proper specialty, who are readily available to constitute such a board, the Chief Medical Director may substitute consultants with comparable qualifications employed under section 4114 of this title.

[(c) Any person, rated as a medical, surgical, or dental specialist under the provisions of this section shall retain such rating until it shall be withdrawn by the Chief Medical Director. The Chief Medical Director shall not withdraw any such rating until it shall have been determined by a board of specialists that the person holding such rating is no longer qualified in his specialty.

[(d) Any person, rated as a medical, surgical, or dental specialist under the provisions of this section, shall receive, in addition to his basic pay, an allowance equal to 15 per centum of such pay, but in no event shall the pay plus the allowance authorized by this subsection exceed $17,200 per annum.]

§ *4108. Administration*

Notwithstanding any law, Executive order, or regulation, the Administrator shall prescribe by regulation the hours and conditions of employment and leaves of absence of physicians, dentists, and nurses.

* * * * * * *

§ 4111. Appointment of additional employees

(a) There shall be appointed by the Administrator under civil-service laws, rules, and regulations, such additional employees, other than those provided in section 4103, paragraph (1) of section 4104, and those specified in section 4114 of this title, as may be necessary to carry out the provisions of this chapter.

[(b) Notwithstanding any other provision of law, the per annum rate of salary of each individual serving as a manager of a hospital, domiciliary, or center who is not a physician in the medical service shall not be less than the rate of salary which he would receive under section 4107 of this title if his service as a manager of a hospital, domiciliary, or center had been service as a physician in the medical service in the chief grade. This subsection shall not affect the allocation of any position of manager of a hospital, domiciliary, or center to any grade of the General Schedule of the Classification Act of 1949, except with respect to changes in rate of salary pursuant to the preceding sentence, and shall not affect the applicability of the Performance Rating Act of 1950 to any individual.]

(b) Notwithstanding any other provision of law, the per annum salary rate of each individual serving as a director of a hospital, domiciliary, or center who is not a physician in the medical service shall not be less than the rate of salary which he would receive under section 4107 of this title if his service as a director of a hospital, domiciliary, or center had been service as a physician in the director grade. This subsection shall not affect the allocation of any position of director of a hospital, domiciliary, or center to any grade of the General Schedule of the Classification Act of 1949, except with respect to changes in rate of salary pursuant to the preceding sentence, and shall not affect the applicability of the Performance Rating Act of 1950 to any individual.

FOREIGN SERVICE ACT OF 1946

* * * * * * *

TITLE IV—CATEGORIES AND SALARIES OF PERSONNEL

* * * * * * *

PART B—SALARIES

* * * * * * *

FOREIGN SERVICE OFFICERS

SEC. 412. There shall be ten classes of Foreign Service officers, including the classes of career ambassador and of career minister. [The per annum salary of a career ambassador shall be $20,000. The per annum salary of a career minister shall be $19,800. The per annum salaries of Foreign Service officers within each of the other classes shall be as follows:

[

Class 1	$17,250	$17,650	$18,050	$18,450	$18,850	$19,250	$19,650	-------
Class 2	14,900	15,255	15,610	15,965	16,320	16,675	17,030	-------
Class 3	12,535	12,890	13,245	13,600	13,955	14,310	14,665	-------
Class 4	10,645	10,945	11,245	11,545	11,845	12,145	12,445	-------
Class 5	8,755	9,055	9,355	9,655	9,955	10,255	10,555	-------
Class 6	7,215	7,455	7,695	7,935	8,175	8,415	8,655	-------
Class 7	6,035	6,215	6,395	6,575	6,755	6,935	7,115	-------
Class 8	5,085	5,265	5,445	5,625	5,805	5,985	6,165	$6,345

]

Effective on the first day of the first pay period beginning on or after the following dates, the per annum salaries of career ambassador and career minister will be:

	July 1, 1962	*July 1, 1963*
Career ambassador	*$23,000*	*$28,000*
Career minister	*22,245*	*27,290*

As of the first day of the first pay period which began on or after July 1, 1962, the per annum salaries of Foreign Service officers within each of the other classes shall be as follows:

Class 1	*$19,580*	*$20,235*	-------	-------	-------	-------	-------
Class 2	*16,115*	*16,650*	*$17,185*	*$17,720*	*$18,255*	*$18,790*	*$19,325*
Class 3	*13,275*	*13,715*	*14,155*	*14,595*	*15,035*	*15,475*	*15,915*
Class 4	*10,965*	*11,330*	*11,695*	*12,060*	*12,425*	*12,790*	*13,155*
Class 5	*9,115*	*9,420*	*9,725*	*10,030*	*10,335*	*10,640*	*10,945*
Class 6	*7,645*	*7,900*	*8,155*	*8,410*	*8,665*	*8,920*	*9,175*
Class 7	*6,475*	*6,690*	*6,905*	*7,120*	*7,335*	*7,550*	*7,765*
Class 8	*5,540*	*5,725*	*5,910*	*6,095*	*6,280*	*6,465*	*6,650*

On the first day of the first pay period which begins on or after July 1, 1963, the per annum salaries of Foreign Service officers within each of the other classes shall be as follows:

Class 1	*$22,910*	*$23,675*					
Class 2	*18,500*	*19,115*	*$19,730*	*$20,345*	*$20,960*	*$21,575*	*$22,190*
Class 3	*14,970*	*15,470*	*15,970*	*16,470*	*16,970*	*17,470*	*17,970*
Class 4	*12,190*	*12,595*	*13,000*	*13,405*	*13,810*	*14,215*	*14,620*
Class 5	*9,970*	*10,305*	*10,640*	*10,975*	*11,310*	*11,645*	*11,980*
Class 6	*8,240*	*8,515*	*8,790*	*9,065*	*9,340*	*9,615*	*9,890*
Class 7	*6,870*	*7,100*	*7,330*	*7,560*	*7,790*	*8,020*	*8,250*
Class 8	*5,795*	*5,990*	*6,185*	*6,380*	*6,575*	*6,770*	*6,965*

* * * * * * *

FOREIGN SERVICE STAFF OFFICERS AND EMPLOYEES

[SEC. 415. There shall be twenty-two classes of Foreign Service staff officers and employees, referred to here after as staff officers and employees. The per annum rates of staff officers and employees within each class shall be as follows:

Class 1	$12,655	$13,030	$13,405	$13,780	$14,155	-------	------
Class 2	11,740	12,065	12,390	12,715	13,040	-------	------
Class 3	10,785	11,095	11,405	11,715	12,025	-------	------
Class 4	9,780	10,090	10,400	10,710	11,020	-------	------
Class 5	9,025	9,285	9,545	9,805	10,065	$10,325	------
Class 6	8,270	8,500	8,730	8,960	9,190	9,420	------
Class 7	7,515	7,745	7,975	8,205	8,435	8,665	------
Class 8	6,760	6,990	7,220	7,450	7,680	7,910	------
Class 9	6,005	6,235	6,465	6,695	6,925	7,155	------
Class 10	5,500	5,690	5,880	6,070	6,260	6,450	$6,640
Class 11	5,000	5,155	5,310	5,465	5,620	5,775	5,930
Class 12	4,495	4,650	4,805	4,960	5,115	5,270	5,425
Class 13	4,010	4,165	4,320	4,475	4,630	4,785	4,940
Class 14	3,550	3,705	3,860	4,015	4,170	4,325	4,480
Class 15	3,325	3,440	3,555	3,670	3,785	3,900	4,015
Class 16	3,095	3,175	3,255	3,335	3,415	3,495	3,575
Class 17	2,860	2,940	3,020	3,100	3,180	3,260	3,340
Class 18	2,640	2,720	2,800	2,880	2,960	3,040	3,120
Class 19	2,410	2,490	2,570	2,650	2,730	2,810	2,890
Class 20	2,180	2,260	2,340	2,420	2,500	2,580	2,660
Class 21	1,950	2,030	2,110	2,190	2,270	2,350	2,430
Class 22	1,720	1,800	1,880	1,960	2,040	2,120	2,200

SEC. 415. (a) Effective as of the first day of the first pay period which began on or after July 1, 1962, there shall be ten classes of Foreign Service staff officers and employees, referred to hereafter as staff officers and employees, and the per annum salaries of staff officers and employees within each class shall be as follows:

Class 1	*$13,275*	*$13,715*	*$14,155*	*$14,595*	*$15,035*	*$15,475*	*$15,915*	*$16,355*	*$16,795*	*$17,235*
Class 2	*10,965*	*11,330*	*11,695*	*12,060*	*12,425*	*12,790*	*13,155*	*13,520*	*13,885*	*14,250*
Class 3	*9,115*	*9,420*	*9,725*	*10,030*	*10,335*	*10,640*	*10,945*	*11,250*	*11,555*	*11,860*
Class 4	*7,645*	*7,900*	*8,155*	*8,410*	*8,665*	*8,920*	*9,175*	*9,430*	*9,685*	*9,940*
Class 5	*6,910*	*7,140*	*7,370*	*7,600*	*7,830*	*8,060*	*8,290*	*8,520*	*8,750*	*8,980*
Class 6	*6,225*	*6,435*	*6,645*	*6,855*	*7,065*	*7,275*	*7,485*	*7,695*	*7,905*	*8,115*
Class 7	*5,610*	*5,800*	*5,990*	*6,180*	*6,370*	*6,560*	*6,750*	*6,940*	*7,130*	*7,320*
Class 8	*5,060*	*5,230*	*5,400*	*5,570*	*5,740*	*5,910*	*6,080*	*6,250*	*6,420*	*6,590*
Class 9	*4,575*	*4,725*	*4,875*	*5,025*	*5,175*	*5,325*	*5,475*	*5,625*	*5,775*	*5,930*
Class 10	*4,110*	*4,250*	*4,390*	*4,530*	*4,670*	*4,825*	*4,980*	*5,135*	*5,290*	*5,445*

On the first day of the first pay period which begins on or after July 1, 1963, the per annum salaries of staff officers and employees within each class shall be as follows:

Class 1	*$14,970*	*$15,470*	*$15,970*	*$16,470*	*$16,970*	*$17,470*	*$17,970*	*$18,470*	*$18,970*	*$19,470*
Class 2	*12,190*	*12,595*	*13,000*	*13,405*	*13,810*	*14,215*	*14,620*	*15,025*	*15,430*	*15,835*
Class 3	*9,970*	*10,305*	*10,640*	*10,975*	*11,310*	*11,645*	*11,980*	*12,315*	*12,650*	*12,985*
Class 4	*8,240*	*8,515*	*8,790*	*9,065*	*9,340*	*9,615*	*9,890*	*10,165*	*10,440*	*10,715*
Class 5	*7,360*	*7,605*	*7,850*	*8,095*	*8,340*	*8,585*	*8,830*	*9,075*	*9,320*	*9,565*
Class 6	*6,580*	*6,800*	*7,020*	*7,240*	*7,460*	*7,680*	*7,900*	*8,120*	*8,340*	*8,560*
Class 7	*5,890*	*6,085*	*6,280*	*6,475*	*6,670*	*6,865*	*7,060*	*7,255*	*7,450*	*7,645*
Class 8	*5,270*	*5,445*	*5,620*	*5,795*	*5,970*	*6,145*	*6,320*	*6,495*	*6,670*	*6,845*
Class 9	*4,715*	*4,870*	*5,025*	*5,180*	*5,335*	*5,490*	*5,645*	*5,800*	*5,955*	*6,110*
Class 10	*4,215*	*4,355*	*4,495*	*4,635*	*4,775*	*4,915*	*5,060*	*5,215*	*5,370*	*5,525*

(b) Notwithstanding the provisions of paragraph (a) of this section, the Secretary may, under such regulations as he may prescribe, classify positions at levels below class 10, and establish salary rates therefor at lower rates than those prescribed by this section, for American employees recruited abroad who are not available or are not qualified for transfer to another post and who perform duties of a more routine nature than are generally performed at the class 10 level.

* * * * * * *

TITLE VI—PERSONNEL ADMINISTRATION

* * * * * * *

PART E—PROMOTION OF FOREIGN SERVICE STAFF OFFICERS AND EMPLOYEES

* * * * * * *

WITHIN CLASS [AND LONGEVITY] SALARY INCREASES

SEC. 642. [(a)] Under such regulations as the Secretary may prescribe, any staff officer or employee whose services meet the standards required for the efficient conduct of the work of the Service shall receive an increase in salary at periodic intervals to the next higher salary rate for the class in which he is serving. Without regard to any other law the Secretary is authorized to grant any such officer or employee additional increases in salary within the salary range established for the class in which he is serving, based upon specifically meritorious service.

[(b) Under such regulations as the Secretary may prescribe, any staff officer or employee who has attained the maximum salary rate prescribed by section 415 for the class in which he is serving may be granted from time to time an additional salary increase beyond the maximum salary rate for his class in recognition of longevity of proficiency in the Service. Each such salary increase shall be equal to the maximum salary rate increase of the applicable class and no person shall receive more than four such salary increases while serving in the same class.]

SECTIONS 101 THROUGH 105 OF THE ACT OF JULY 1, 1960

[SHORT TITLE

[SEC. 101. This part may be cited as the "Postal Employees Salary Increase Act of 1960".

[POSTAL FIELD SERVICE SCHEDULE

[SEC. 102. The Postal Field Service Schedule contained in section 301(a) of the Postal Field Service Compensation Act of 1955, as amended (72 Stat. 145, 215; 39 U.S.C. 971(a)), is amended to read as follows:

[POSTAL FIELD SERVICE SCHEDULE

Level	Per annum rates and steps						
	1	2	3	4	5	6	7
1	$3,415	$3,545	$3,675	$3,805	$3,935	$4,065	$4,195
2	3,670	3,805	3,940	4,075	4,210	4,345	4,480
3	3,955	4,100	4,245	4,390	4,535	4,680	4,825
4	4,345	4,505	4,665	4,825	4,985	5,145	5,305
5	4,605	4,765	4,925	5,085	5,245	5,405	5,565
6	4,975	5,150	5,325	5,500	5,675	5,850	6,025
7	5,370	5,555	5,740	5,925	6,110	6,295	6,480
8	5,790	5,995	6,200	6,405	6,610	6,815	7,020
9	6,255	6,480	6,705	6,930	7,155	7,380	7,605
10	6,870	7,110	7,350	7,590	7,830	8,070	8,310
11	7,560	7,820	8,080	8,340	8,600	8,860	9,120
12	8,320	8,605	8,890	9,175	9,460	9,745	10,030
13	9,160	9,470	9,780	10,090	10,400	10,710	11,020
14	10,075	10,410	10,745	11,080	11,415	11,750	12,085
15	11,075	11,440	11,805	12,170	12,535	12,900	13,265
16	12,205	12,570	12,935	13,300	13,665	14,030	14,395
17	13,505	13,870	14,235	14,600	14,965	15,330	15,695
18	15,165	15,525	15,885	16,245	16,605	16,965	16,965
19	16,585	16,945	17,095	----	----	----	----
20	17,200	----	----	----	----	----	----

[RURAL CARRIER SCHEDULE

[SEC. 103. (a) The Rural Carrier Schedule contained in section 302(a) of such Act, as amended (72 Stat. 145; 39 U.S.C. 972(a)), is amended to read as follows:

[RURAL CARRIER SCHEDULE

[Per annum rates and steps

	1	2	3	4	5	6	7
Carriers in rural delivery service:							
Fixed compensation per annum	$2,053	$2,132	$2,211	$2,290	$2,369	$2,448	$2,527
Compensation per mile per annum for each mile up to 30 miles of route	71	73	75	77	79	81	83
For each mile of route over 30 miles	24	24	24	24	24	24	24
Temporary carriers in rural delivery service on routes to which no regular carrier is assigned:							
Fixed compensation per annum	2,053						
Compensation per mile per annum for each mile up to 30 miles of route	71						
For each mile of route over 30 miles	24						
Temporary carriers in rural delivery service on routes having regular carriers absent without pay or on military leave	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Substitute carriers in rural delivery service on routes having carriers absent with pay	(1)	(1)	(1)	(1)	(1)	(1)	(1)

[1] Basic compensation authorized for the regular carrier.

[(b) Section 302(c) of such Act, as amended (69 Stat. 119, 72 Stat. 145; 39 U.S.C. 972(c)), is amended by striking out "$5,165 during the period referred to in section 304(c) or $5,035 thereafter" and inserting in lieu thereof "the basic salary for the maximum step in the Rural Carrier Schedule for a route sixty-one miles in length".

[FOURTH-CLASS OFFICE SCHEDULE

[SEC. 104. The Fourth-Class Office Schedule contained in section 303(a) of such Act, as amended (72 Stat. 146; 39 U.S.C. 973(a)), is amended to read as follows:

[FOURTH-CLASS OFFICE SCHEDULE

Gross receipts	Per annum rates and steps						
	1	2	3	4	5	6	7
$1,300 to $1,499.99	$2,979	$3,078	$3,177	$3,276	$3,375	$3,474	$3,573
$900 to $1,299.99	2,730	2,820	2,910	3,000	3,090	3,180	3,270
$600 to $899.99	2,234	2,309	2,384	2,459	2,534	2,609	2,684
$350 to $599.99	1,737	1,794	1,851	1,908	1,965	2,022	2,079
$250 to $349.99	1,242	1,282	1,322	1,362	1,402	1,442	1,482
$200 to $249.99	993	1,025	1,057	1,089	1,121	1,153	1,185
$100 to $199.99	745	769	793	817	841	865	889
Under $100	495	511	527	543	559	575	591

[RELATED PROVISIONS COVERING POSTAL FIELD SERVICE EMPLOYEES

[SEC. 105. (a) Section 304(c) of such Act, as amended (72 Stat. 146; 39 U.S.C. 974(c)), is hereby repealed.

[(b) Section 401 of such Act, as amended (39 U.S.C. 981), is amended by adding at the end thereof the following subsection:

["(d) Any increase in basic salary granted by law on or after the effective date of this subsection shall not be deemed to be an equivalent increase in basic salary within the meaning of subsection (a) of this section."

[(c) The annual rate of basic salary of any officer or employee whose basic salary, immediately prior to the effective date of this subsection, is at a rate between two scheduled rates, or above the highest scheduled rate, in the Postal Field Service Schedule, the Rural Carrier Schedule, or the Fourth-Class Office Schedule, whichever may be applicable, is hereby increased by an amount equal to the amount of the increase made by this part in the next lower rate of the appropriate level in such schedule. As used in this subsection, the term "basic salary" has the same meaning as when used in the Postal Field Service Compensation Act of 1955.

[(d) This part shall have the same force and effect within Guam as within other possessions of the United States.]

ACT OF AUGUST 1, 1947

That (a) the Secretary of the Interior is authorized to establish and fix compensation for not more than eight scientific or professional positions in the Department of the Interior, each such position being established to effectuate those research and development functions of such department which require the services of specially qualified personnel.

(b) The Secretary of Agriculture is authorized to establish and fix the compensation for not more than twenty scientific or professional positions in the Department of Agriculture, each such position being established to effectuate those research and development functions of such department which require the services of specially qualified personnel.

(c) The Secretary of Health, Education, and Welfare is authorized to establish and fix the compensation for not more than thirteen scientific or professional positions in the Department of Health, Education, and Welfare, each such position being established to effectuate those research and development functions of such department which require the services of specially qualified personnel.

(d) The Secretary of Commerce is authorized to establish and fix the compensation for not more than thirty scientific or professional positions in the Department of Commerce, of which not less than five shall be for the United States Patent Office in its examining and related activities, each such position being established to effectuate those research and development functions of such department which require the services of specially qualified personnel.

(e) The Postmaster General is authorized to establish and fix the compensation for not more than three scientific or professional positions in the Post Office Department, each such position being established to effectuate those research and development functions of such Department which require the services of specially qualified personnel.

(f) The Director of the United States Arms Control and Disarmament Agency is authorized to establish and fix the compensation for not more than fourteen scientific or professional positions in the United States Arms Control and Disarmament Agency, each such position being established to effectuate those research and development functions of such agency which require the services of specially qualified personnel.

SEC. 2. (a) Positions created pursuant to this Act shall be included in the competitive civil service of the United States, but appointments to such positions shall be made without competitive examination upon approval of the proposed appointee's qualifications by the United States Civil Service Commission or such officers and agents as the Commission may designate for this purpose.

[(b) The rates of compensation for positions established pursuant to the provisions of this Act shall not be less than $12,500 per annum nor more than $19,000 per annum and shall be subject to the approval of the United States Civil Service Commission.]

(b) The per annum rates of compensation for positions established pursuant to the provisions of this Act shall not be less than the minimum rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act.

(c) In any case in which, subsequent to February 1, 1958, provisions are included in a general appropriation Act authorizing an agency of the Government referred to in this Act to establish and fix the compensation of scientific or professional positions similar to those authorized by this Act, the number of such positions authorized by this Act shall, unless otherwise expressly provided, be deemed to have been reduced by the number of positions authorized by the provisions of such appropriation Act.

SEC. 3. The head of each department or agency authorized to establish and fix the compensation of positions under this Act shall submit to the Congress, not later than December 31 of each year, a report setting forth the number of positions established pursuant to this Act in his department or agency during that calendar year, and the name, rate of compensation, and description of the qualifications of each incumbent, together with a statement of the functions performed by each. In any instance in which any such department or agency head may consider full public report on these items detrimental to the national security, such department or agency head is authorized to omit such items from his annual report and, in lieu thereof, to present such information in executive sessions of such committees of the Senate and House of Representatives as the presiding officers of those bodies shall designate.

SECTION 208(g) OF THE PUBLIC HEALTH SERVICE ACT

(g) The Administrator is authorized to establish and fix the compensation for, within the Public Health Service, not more than one hundred and fifty positions, of which not less than one hundred and fifteen shall be for the National Institutes of Health in the professional, scientific, and executive service, each such position being established to effectuate those research and development activities of the Public Health Service which require the services of specially qualified scientific, professional, and administrative personnel: *Provided,* That the rates of compensation for positions established pursuant to the provisions of this subsection shall not be less than [$12,500 per annum nor more than $19,000 per annum] *the minimum rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act,* and shall be subject to the approval of the Civil Service Commission. Positions created pursuant to this subsection shall be included in the classified civil service of the United States, but appointments to such positions shall be made without competitive examination upon approval of the proposed appointee's qualifications by the Civil Service Commission or such officers or agents as it may designate for this purpose.

SECTION 12 OF THE ACT OF MAY 29, 1884

SEC. 12. The Secretary of Agriculture is authorized to establish research laboratories, including the acquisition of necessary land, buildings, or facilities, and also the making of research contracts under the authority contained in section 10(a) of the Bankhead-Jones Act of 1935, as amended by the Research and Marketing Act of 1946, for research and study, in the United States or elsewhere, of foot-and-mouth disease and other animal diseases which in the opinion of the Secretary constitute a threat to the livestock industry of the United States: *Provided,* That no live virus of foot-and-mouth disease may be introduced for any purpose into any part of the mainland of the United States except coastal islands separated therefrom by waters navigable for deep-water navigation and which shall not be connected with the mainland by any tunnel, and except that the Secretary of Agriculture may transport said virus in the original package across the mainland under adequate safeguards, and except further, that in the event of outbreak of foot-and-mouth disease in this country, the Secretary of Agriculture may, at his discretion, permit said virus to be brought into the United States under adequate safeguards. To carry out the provisions of this section, the Secretary is authorized to employ technical experts or scientists without regard to the Classification Act: *Provided,* That the number so employed shall not exceed five and that the maximum compensation for each shall not exceed [$19,000 per annum] *the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended.* There is hereby authorized to be appropriated such sums as Congress may deem necessary; in addition, the Secretary is authorized to utilize, in carrying out this section, funds otherwise available for the control or eradication of such diseases.

SECTION 203(b)(2) OF THE NATIONAL AERONAUTICS AND SPACE ACT OF 1958

FUNCTIONS OF THE ADMINISTRATION

SEC. 203. (a) * * *

(b) In the performance of its functions the Administration is authorized—

* * * * * * *

(2) to appoint and fix the compensation of such officers and employees as may be necessary to carry out such functions. Such officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1949, except that (A) to the extent the Administrator deems such action necessary to the discharge of his responsibilities, he may appoint and fix the compensation [(up to a limit of $19,000 a year, or up to a limit of $21,000 a year for a maximum of thirty positions)] *(at not to exceed the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended, or, for a maximum of thirty positions, up to the highest rate of grade 18 of the General Schedule of the Classification Act of 1949 as in effect on and after the first day of the first pay period which begins on or after July 1, 1963, without regard to section 506(a) of the Federal Salary Reform Act of 1962)* of not more than four hundred and twenty-five (of which not to exceed three hundred and fifty-five may be filled prior to March 1, 1962 and to exceed three hundred and ninety may be filled prior to July 1, 1962) of the scientific, engineering, and administrative personnel of the Administration without regard to such laws, and (B) to the extent the Administrator deems such action necessary to recruit specially qualified scientific and engineering talent, he may establish the entrance grade for scientific and engineering personnel without previous service in the Federal Government at a level up to two grades higher than the grade provided for such personnel under the General schedule established by the Classification Act of 1949, and fix their compensation accordingly;

SECTION 161 d. OF THE ATOMIC ENERGY ACT OF 1954

SEC. 161. GENERAL PROVISIONS.—In the performance of its functions the Commission is authorized to—

a. * * *

* * * * * * *

d. appoint and fix the compensation of such officers and employees as may be necessary to carry out the functions of the Commission. Such officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1949, as amended, except that, to the extent the Commission deems such action necessary to the discharge of its responsibilities, personnel may be employed and their compensation fixed without regard to such laws: *Provided, however,* That no officer or employee (ex-

cept such officers and employees whose compensation is fixed by law, and scientific and technical personnel up to a limit of [($19,000)] *the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended*) whose position would be subject to the Classification Act of 1949, as amended, if such Act were applicable to such position, shall be paid a salary at a rate in excess of the rate payable under such Act for positions of equivalent difficulty or responsibility. The Commission shall make adequate provision for administrative review of any determination to dismiss any employee;

SECTION 1581 OF TITLE 10 OF THE UNITED STATES CODE

§ 1581. Appointment: Professional and scientific services

(a) The Secretary of Defense may establish not more than five hundred thirty civilian positions in the Department of Defense to carry out research and development relating to the national defense, military medicine, and other activities of the Department of Defense that require the services of specially qualified scientists or professional personnel.

(b) Subject to the Civil Service Commission's approval as to rates, the Secretary may fix the compensation for positions established under subsection (a). [However, the compensation may not be less than $12,500 or more than $19,000 a year.] *However, the per annum compensation may not be less than the minimum rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act.*

SECTION 753 OF TITLE 28 OF THE UNITED STATES CODE

§ 753. Reporters

(a) * * *

* * * * * * *

(e) [1] Each reporter shall receive an annual salary to be fixed from time to time by the Judicial Conference of the United States at not less than $3,000 nor more than $7,630. All supplies shall be furnished by the reporter at his own expense.

SECTION 4 OF THE ACT OF MAY 29, 1959

SEC. 4. The Secretary of Defense (or his designee for the purpose) is authorized to establish in the National Security Agency not more than sixty civilian positions involving research and development functions, which require the services of specially qualified scientific or professional personnel, and fix the rates of basic compensation for

[1] Subsection (e) is amended by the bill by striking out the existing salary limitation contained therein and inserting a new limitation to be effective for the period beginning as of the first day of the first pay period which began on or after July 1, 1962, and ending immediately prior to the first day of the first pay period which begins on or after July 1, 1963, and a second new limitation effective on the first day of the first pay period which begins on or after July 1, 1963, and thereafter, which reflect the respective applicable increases provided by title II of this Act in corresponding rates of compensation for officers and employees subject to the Classification Act of 1949, as amended.

such positions at rates not in excess of the maximum rate of compensation authorized by section 1581(b) of title 10, United States Code[, as amended by paragraph (34)(B) of the first section of the Act of September 2, 1958 (72 Stat. 1456; Public Law 85–861)].

SECTION 302(f) OF THE FEDERAL AVIATION ACT OF 1958

ORGANIZATION OF AGENCY

SEC. 302. * * *

* * * * * * *

OFFICERS AND EMPLOYEES

(f) The Administrator is authorized, subject to the civil-service and classification laws, to select, employ, appoint, and fix the compensation of such officers, employees, attorneys, and agents as shall be necessary to carry out the provisions of this Act, and to define their authority and duties, except that the Administrator may fix the compensation for not more than twenty-three positions at rates not to exceed [$19,500 per annum] *the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended.*

SECTION 2 OF THE ACT OF JUNE 14, 1948

SEC. 2. The President shall designate from time to time to attend a specified session or specified sessions of the World Health Assembly of the Organization not to exceed three delegates of the United States and such number of alternates as he may determine consistent with the rules of procedure of the World Health Assembly. One of the delegates shall be designated as the chief delegate. Whenever the United States becomes entitled to designate a person to serve on the Executive Board of the Organization, under article 24 of the constitution of the Organization, the President shall designate a representative of the United States, by and with the advice and consent of the Senate, and may designate not to exceed one alternate to attend sessions of the Executive Board. Such representative must be a graduate of a recognized medical school and have spent not less than three years in active practice as a physician or surgeon. [Such representative shall be entitled to receive compensation at a rate not to exceed $12,000 per annum and any such alternate shall be entitled to receive compensation at a rate not to exceed $10,000 per annum] *Such representative and any such alternate shall each be entitled to receive compensation at one of the rates provided by section 412 of the Foreign Service Act of 1946, as amended,* for such period or periods as the President may specify, except that no Member of the Senate or House of Representatives or officer of the United States who is thus designated shall be entitled to receive such compensation: *Provided,* That no person shall serve as such representative, delegate, or alternate until such person has been investigated as to loyalty and security by the Civil Service Commission.

APPENDIX

(The following tables show a comparison of present pay rates with proposed pay rates and the cumulative increases on each rate provided for in H.R. 9531, as approved by the committee, for the postal field service employees, Classification Act employees, Foreign Service employees, and employees in the Department of Medicine and Surgery of the Veterans' Administration.)

Comparison of present rates with rates in H.R. 9531 for the postal field service compensation schedule with cumulative increase by level and step (title I)

Level	Year	Step 1	Cumulative increase	Step 2	Cumulative increase	Step 3	Cumulative increase	Step 4	Cumulative increase	Step 5	Cumulative increase	Step 6	Cumulative increase	Step 7	Cumulative increase	Step 8	Cumulative increase	Step 9	Cumulative increase	Step 10	Cumulative increase	Step 11	Cumulative increase	Step 12	Cumulative increase
PFS	Present	$3,415		$3,545		$3,675		$3,805		$3,935		$4,065		$4,195		$4,295		$4,395		$4,495		None		None	
1	July 1, 1962	3,685	$270	3,815	$270	3,945	$270	4,075	$270	4,205	$270	4,335	$270	4,465	$270	4,595	$300	4,725	$330	4,855	$360	$4,985		$5,115	
	July 1, 1963	3,800	385	3,935	390	4,070	395	4,205	400	4,340	405	4,475	410	4,610	415	4,745	450	4,880	485	5,015	520	5,150	$165	5,285	$170
PFS	Present	3,670		3,805		3,940		4,075		4,210		4,345		4,480		4,580		4,680		4,780		None		None	
2	July 1, 1962	3,985	315	4,120	315	4,255	315	4,390	315	4,525	315	4,660	315	4,795	315	4,930	350	5,065	385	5,200	420	5,335		5,470	
	July 1, 1963	4,100	430	4,240	435	4,380	440	4,520	445	4,660	450	4,800	455	4,940	460	5,080	500	5,220	540	5,360	580	5,500	165	5,640	170
PFS	Present	3,955		4,100		4,245		4,390		4,535		4,680		4,825		4,925		5,025		5,125		None		None	
3	July 1, 1962	4,315	360	4,460	360	4,605	360	4,750	360	4,895	360	5,040	360	5,185	360	5,330	405	5,475	450	5,620	495	5,765		5,910	
	July 1, 1963	4,450	495	4,600	500	4,750	505	4,900	510	5,050	515	5,200	520	5,350	525	5,500	575	5,650	625	5,800	675	5,950	185	6,100	190
PFS	Present	4,345		4,505		4,665		4,825		4,985		5,145		5,305		5,405		5,505		5,605		None		None	
4	July 1, 1962	4,675	330	4,835	330	4,995	330	5,155	330	5,315	330	5,475	330	5,635	330	5,795	390	5,955	450	6,115	510	6,275		6,435	
	July 1, 1963	4,800	455	4,965	460	5,130	465	5,295	470	5,460	475	5,625	480	5,790	485	5,955	550	6,120	615	6,285	680	6,450	175	6,615	180
PFS	Present	4,605		4,765		4,925		5,085		5,245		5,405		5,565		5,665		5,765		5,865		None		None	
5	July 1, 1962	5,055	450	5,220	455	5,385	460	5,550	465	5,715	470	5,880	475	6,045	480	6,210	545	6,375	610	6,540	675	6,705		6,870	
	July 1, 1963	5,255	650	5,425	660	5,595	670	5,765	680	5,935	690	6,105	700	6,275	710	6,445	780	6,615	850	6,785	920	6,955	250	7,125	255
PFS	Present	4,975		5,150		5,325		5,500		5,675		5,850		6,025		6,125		6,225		6,325		None		None	
6	July 1, 1962	5,480	505	5,655	505	5,830	505	6,005	505	6,180	505	6,355	505	6,530	505	6,705	580	6,880	655	7,055	730	7,230		7,405	
	July 1, 1963	5,685	710	5,870	720	6,055	730	6,240	740	6,425	750	6,610	760	6,795	770	6,980	855	7,165	940	7,350	1,025	7,535	305	7,720	315
PFS	Present	5,370		5,555		5,740		5,925		6,110		6,295		6,480		6,580		6,680		6,780		None			
7	July 1, 1962	5,800	430	5,990	435	6,180	440	6,370	445	6,560	450	6,750	455	6,940	460	7,130	550	7,320	640	7,510	730	7,700			
	July 1, 1963	5,950	580	6,150	595	6,350	610	6,550	625	6,750	640	6,950	655	7,150	670	7,350	770	7,550	870	7,750	970	7,950	250		
PFS	Present	5,790		5,995		6,200		6,405		6,610		6,815		7,020		7,120		7,220		7,320					
8	July 1, 1962	6,215	425	6,420	425	6,625	425	6,830	425	7,035	425	7,240	425	7,445	425	7,650	530	7,855	635	8,060	740				
	July 1, 1963	6,440	650	6,655	660	6,870	670	7,085	680	7,300	690	7,515	700	7,730	710	7,945	825	8,160	940	8,375	1,055				
PFS	Present	6,255		6,480		6,705		6,930		7,155		7,380		7,605		7,705		7,805		7,905					
9	July 1, 1962	6,715	460	6,940	460	7,165	460	7,390	460	7,615	460	7,840	460	8,065	460	8,290	585	8,515	710	8,740	835				
	July 1, 1963	6,965	710	7,200	720	7,435	730	7,670	740	7,905	750	8,140	760	8,375	770	8,610	905	8,845	1,040	9,080	1,175				

PFS 10	Present	6,870		7,110		7,350		7,590		7,830		8,070		8,310		8,410		8,510		8,610									
	July 1, 1962	7,260	390	7,500	390	7,740	390	7,980	390	8,220	390	8,460	390	8,700	390	8,940	530	9,180	670	9,420	810								
	July 1, 1963	7,725	855	7,985	875	8,245	895	8,505	915	8,765	935	9,025	955	9,285	975	9,545	1,135	9,805	1,295	10,065	1,455								
PFS 11	Present	7,560		7,820		8,080		8,340		8,600		8,860		9,120		9,220		9,320		9,420									
	July 1, 1962	7,960	400	8,225	405	8,490	410	8,755	415	9,020	420	9,285	425	9,550	430	9,815	595	10,080	760	10,345	925								
	July 1, 1963	8,580	1,020	8,865	1,045	9,150	1,070	9,435	1,095	9,720	1,120	10,005	1,145	10,290	1,170	10,575	1,355	10,860	1,540	11,145	1,725								
PFS 12	Present	8,320		8,605		8,890		9,175		9,460		9,745		10,030		10,130		10,230		10,330									
	July 1, 1962	8,735	415	9,025	420	9,315	425	9,605	430	9,895	435	10,185	440	10,475	445	10,765	635	11,055	825	11,345	1,015								
	July 1, 1963	9,520	1,200	9,835	1,230	10,150	1,260	10,465	1,290	10,780	1,320	11,095	1,350	11,410	1,380	11,725	1,595	12,040	1,810	12,355	2,025								
PFS 13	Present	9,160		9,470		9,780		10,090		10,400		10,710		11,020		11,120		11,220		11,320									
	July 1, 1962	9,575	415	9,895	425	10,215	435	10,535	445	10,855	455	11,175	465	11,495	475	11,815	695	12,135	915	12,455	1,135								
	July 1, 1963	10,555	1,395	10,905	1,435	11,255	1,475	11,605	1,515	11,955	1,555	12,305	1,595	12,655	1,635	13,005	1,885	13,355	2,135	13,705	2,385								
PFS 14	Present	10,075		10,410		10,745		11,080		11,415		11,750		12,085		12,185		12,285		12,385									
	July 1, 1962	10,510	435	10,860	450	11,210	465	11,560	480	11,910	495	12,260	510	12,610	525	12,960	775	13,310	1,025	13,660	1,275								
	July 1, 1963	11,700	1,625	12,090	1,680	12,480	1,735	12,870	1,790	13,260	1,845	13,650	1,900	14,040	1,955	14,430	2,245	14,820	2,535	15,210	2,825								
PFS 15	Present	11,075		11,440		11,805		12,170		12,535		12,900		13,265		13,365		13,465		13,565									
	July 1, 1962	11,525	450	11,910	470	12,295	490	12,680	510	13,065	530	13,450	550	13,835	570	14,220	855	14,605	1,140	14,990	1,425								
	July 1, 1963	12,980	1,905	13,410	1,970	13,840	2,035	14,270	2,100	14,700	2,165	15,130	2,230	15,560	2,295	15,990	2,625	16,420	2,955	16,850	3,285								
PFS 16	Present	12,205		12,570		12,935		13,300		13,665		14,030		14,395		14,495		14,595		14,695									
	July 1, 1962	12,650	445	13,070	500	13,490	555	13,910	610	14,330	665	14,750	720	15,170	775	15,590	1,095	16,010	1,415	16,430	1,735								
	July 1, 1963	14,400	2,195	14,875	2,305	15,350	2,415	15,825	2,525	16,300	2,635	16,775	2,745	17,250	2,855	17,725	3,230	18,200	3,605	18,675	3,980								
PFS 17	Present	13,505		13,870		14,235		14,600		14,965		15,330		15,695		15,795		15,895		15,995									
	July 1, 1962	13,880	375	14,340	470	14,800	565	15,260	660	15,720	755	16,180	850	16,640	945	17,100	1,305	17,560	1,665	18,020	2,025								
	July 1, 1963	15,960	2,455	16,490	2,620	17,020	2,785	17,550	2,950	18,080	3,115	18,610	3,280	19,140	3,445	19,670	3,875	20,200	4,305	20,730	4,735								
PFS 18	Present	15,165		15,525		15,885		16,245		16,605		16,965		16,965		17,065		17,165		17,265									
	July 1, 1962	15,225	60	15,730	205	16,235	350	16,740	495	17,245	640	17,750	785	18,255	1,290	18,760	1,695	19,265	2,100	19,770	2,505								
	July 1, 1963	17,690	2,525	18,280	2,755	18,870	2,985	19,460	3,215	20,050	3,445	20,640	3,675	21,230	4,265	21,820	4,755	22,410	5,245	[1]23,000	5,735								
PFS 19	Present	16,585		16,945		17,095		17,195		17,295		17,395		None															
	July 1, 1962	16,700	115	17,255	310	17,810	715	18,365	1,170	18,920	1,625	19,475	2,080	20,030															
	July 1, 1963	19,615	3,020	20,270	3,325	20,925	3,830	21,580	4,385	22,235	4,940	[1]22,890	5,495	[1]23,545	3,515														
PFS 20	Present	17,200		17,300		17,400		17,500																					
	July 1, 1962	18,350	1,150	18,960	1,660	19,570	2,170	20,180	2,680																				
	July 1, 1963	21,755	4,555	22,480	5,180	[1]23,205	5,805	[1]23,930	6,430																				

[1] Salary rates for employees at this step may not exceed rate for Members of Congress, currently $22,500.

NOTE.—Rates for levels 8–20 same as in President's proposal except for effective dates.

Increases for postal field service employees on the rolls on the effective date of H.R. 9531 (showing movement on conversion to the next higher step[1]*)*

PRESENT STEP

Level	Year	Step 1	Cumulative increase	Step 2	Cumulative increase	Step 3	Cumulative increase	Step 4	Cumulative increase	Step 5	Cumulative increase	Step 6	Cumulative increase	Step 7	Cumulative increase	Step 7A	Cumulative increase	Step 7B	Cumulative increase	Step 7C	Cumulative increase
PFS	Present	$3,415	----	$3,545	----	$3,675	----	$3,805	----	$3,935	----	$4,065	----	$4,195	----	$4,295	----	$4,395	----	$4,495	----
1	July 1, 1962	3,815(2)	$400	3,945(3)	$400	4,075(4)	$400	4,205(5)	$400	4,335(6)	$400	4,465(7)	$400	4,595(8)	$400	4,725(9)	$430	4,855(10)	$460	4,985(11)	$490
	July 1, 1963	3,935(2)	520	4,070(3)	525	4,205(4)	530	4,340(5)	535	4,475(6)	540	4,610(7)	545	4,745(8)	550	4,880(9)	585	5,015(10)	620	5,150(11)	655
PFS	Present	3,670	----	3,805	----	3,940	----	4,075	----	4,210	----	4,345	----	4,480	----	4,580	----	4,680	----	4,780	----
2	July 1, 1962	4,120(2)	450	4,255(3)	450	4,390(4)	450	4,525(5)	450	4,660(6)	450	4,795(7)	450	4,930(8)	450	5,065(9)	485	5,200(10)	520	5,335(11)	555
	July 1, 1963	4,240(2)	570	4,380(3)	575	4,520(4)	580	4,660(5)	585	4,800(6)	590	4,940(7)	595	5,080(8)	600	5,220(9)	640	5,360(10)	680	5,500(11)	720
PFS	Present	3,955	----	4,100	----	4,245	----	4,390	----	4,535	----	4,680	----	4,825	----	4,925	----	5,025	----	5,125	----
3	July 1, 1962	4,460(2)	505	4,605(3)	505	4,750(4)	505	4,895(5)	505	5,040(6)	505	5,185(7)	505	5,330(8)	505	5,475(9)	550	5,620(10)	595	5,765(11)	640
	July 1, 1963	4,600(2)	645	4,750(3)	650	4,900(4)	655	5,050(5)	660	5,200(6)	665	5,350(7)	670	5,500(8)	675	5,650(9)	725	5,800(10)	775	5,950(11)	825
PFS	Present	4,345	----	4,505	----	4,665	----	4,825	----	4,985	----	5,145	----	5,305	----	5,405	----	5,505	----	5,605	----
4	July 1, 1962	4,835(2)	490	4,995(3)	490	5,155(4)	490	5,315(5)	490	5,475(6)	490	5,635(7)	490	5,795(8)	490	5,955(9)	550	6,115(10)	610	6,275(11)	670
	July 1, 1963	4,965(2)	620	5,130(3)	625	5,295(4)	630	5,460(5)	635	5,625(6)	640	5,790(7)	645	5,955(8)	650	6,120(9)	715	6,285(10)	780	6,450(11)	845

[1] Does not show movement due to automatic step increases.

NOTE.—Figures in parentheses in lines 2 and 3 at each level show step to which converted.

Comparison of present rates with rates in H.R. 9531 for the general schedule of the Classification Act with cumulative increases by grade and rate (title II)

Grade	Year	Rate 1	Cumulative increase	Rate 2	Cumulative increase	Rate 3	Cumulative increase	Rate 4	Cumulative increase	Rate 5	Cumulative increase	Rate 6	Cumulative increase	Rate 7	Cumulative increase	Rate 8	Cumulative increase	Rate 9	Cumulative increase	Rate 10	Cumulative increase
GS-1	Present	$3,185	----	$3,290	----	$3,395	----	$3,500	----	$3,605	----	$3,710	----	$3,815	----	$3,920	----	$4,025	----	$4,130	----
	July 1, 1962	3,365	$180	3,475	$185	3,585	$190	3,695	$195	3,805	$200	3,915	$205	4,025	$210	4,135	$215	4,245	$220	4,355	$225
	July 1, 1963	3,435	250	3,545	255	3,655	260	3,765	265	3,875	270	3,985	275	4,095	280	4,205	285	4,315	290	4,425	295
GS-2	Present	3,500	----	3,605	----	3,710	----	3,815	----	3,920	----	4,025	----	4,130	----	4,235	----	4,340	----	4,445	----
	July 1, 1962	3,700	200	3,810	205	3,920	210	4,030	215	4,140	220	4,250	225	4,360	230	4,470	235	4,580	240	4,690	245
	July 1, 1963	3,775	275	3,885	280	3,995	285	4,105	290	4,215	295	4,325	300	4,435	305	4,545	310	4,655	315	4,765	320
GS-3	Present	3,760	----	3,865	----	3,970	----	4,075	----	4,180	----	4,285	----	4,390	----	4,495	----	4,600	----	4,705	----
	July 1, 1962	3,975	215	4,085	220	4,195	225	4,305	230	4,415	235	4,525	240	4,635	245	4,745	250	4,855	255	4,965	260
	July 1, 1963	4,055	295	4,165	300	4,275	305	4,385	310	4,495	315	4,605	320	4,715	325	4,825	330	4,935	335	5,045	340

GS-4	Present	4,040		4,145		4,250		4,355		4,460		4,565		4,670		4,775		4,880		4,985	
	July 1, 1962	4,280	240	4,390	245	4,500	250	4,610	255	4,720	260	4,830	265	4,940	270	5,050	275	5,160	280	5,270	285
	July 1, 1963	4,355	315	4,465	320	4,575	325	4,685	330	4,795	335	4,905	340	5,015	345	5,125	350	5,235	355	5,345	360
GS-5	Present	4,345		4,510		4,675		4,840		5,005		5,170		5,335		5,500		5,665		5,830	
	July 1, 1962	4,695	350	4,855	345	5,015	340	5,175	335	5,335	330	5,495	325	5,655	320	5,815	315	5,975	310	6,135	305
	July 1, 1963	4,750	405	4,915	405	5,080	405	5,245	405	5,410	405	5,575	405	5,740	405	5,905	405	6,070	405	6,235	405
GS-6	Present	4,830		4,995		5,160		5,325		5,490		5,655		5,820		5,985		6,150		6,315	
	July 1, 1962	5,035	205	5,205	210	5,375	215	5,545	220	5,715	225	5,885	230	6,055	235	6,225	240	6,395	245	6,565	250
	July 1, 1963	5,235	405	5,410	415	5,585	425	5,760	435	5,935	445	6,110	455	6,285	465	6,460	475	6,635	485	6,810	495
GS-7	Present	5,355		5,520		5,685		5,850		6,015		6,180		6,345		6,510		6,675		6,840	
	July 1, 1962	5,540	185	5,725	205	5,910	225	6,095	245	6,280	265	6,465	285	6,650	305	6,835	325	7,020	345	7,205	365
	July 1, 1963	5,795	440	5,990	470	6,185	500	6,380	530	6,575	560	6,770	590	6,965	620	7,160	650	7,355	680	7,550	710
GS-8	Present	5,885		6,050		6,215		6,380		6,545		6,710		6,875		7,040		7,205		7,370	
	July 1, 1962	6,090	205	6,295	245	6,500	285	6,705	325	6,910	365	7,115	405	7,320	445	7,525	485	7,730	525	7,935	565
	July 1, 1963	6,420	535	6,635	585	6,850	635	7,065	685	7,280	735	7,495	785	7,710	835	7,925	885	8,140	935	8,355	985
GS-9	Present	6,435		6,600		6,765		6,930		7,095		7,260		7,425		7,590		7,755		7,920	
	July 1, 1962	6,675	240	6,900	300	7,125	360	7,350	420	7,575	480	7,800	540	8,025	600	8,250	660	8,475	720	8,700	780
	July 1, 1963	7,095	660	7,330	730	7,565	800	7,800	870	8,035	940	8,270	1,010	8,505	1,080	8,740	1,150	8,975	1,220	9,210	1,290
GS-10	Present	6,995		7,106		7,325		7,490		7,655		7,820		7,985		8,150		8,315		8,480	
	July 1, 1962	7,290	295	7,535	375	7,780	455	8,025	535	8,270	615	8,515	695	8,760	775	9,005	855	9,250	935	9,495	1,015
	July 1, 1963	7,800	805	8,060	900	8,320	995	8,580	1,090	8,840	1,185	9,100	1,280	9,360	1,375	9,620	1,470	9,880	1,565	10,140	1,660
GS-11	Present	7,560		7,820		8,080		8,340		8,600		8,860		9,120		9,380		9,640		None	
	July 1, 1962	7,960	400	8,225	405	8,490	410	8,755	415	9,020	420	9,285	425	9,550	430	9,815	435	10,080	440	10,345	
	July 1, 1963	8,580	1,020	8,865	1,045	9,159	1,070	9,435	1,095	9,720	1,120	10,005	1,145	10,290	1,170	10,575	1,195	10,860	1,220	11,145	800
GS-12	Present	8,955		9,215		9,475		9,735		9,995		10,255		10,515		10,775		11,035		None	
	July 1, 1962	9,380	425	9,695	480	10,010	535	10,325	590	10,640	645	10,955	700	11,270	755	11,585	810	11,900	865	12,215	
	July 1, 1963	10,270	1,315	10,615	1,400	10,960	1,485	11,305	1,570	11,650	1,655	11,995	1,740	12,340	1,825	12,685	1,910	13,030	1,995	13,375	1,160
GS-13	Present	10,635		10,895		11,155		11,415		11,675		11,935		12,195		12,455		12,715		None	
	July 1, 1962	10,965	330	11,330	435	11,695	540	12,060	645	12,425	750	12,790	855	13,155	960	13,520	1,065	13,885	1,170	14,250	
	July 1, 1963	12,190	1,555	12,595	1,700	13,000	1,845	13,405	1,990	13,810	2,135	14,215	2,280	14,620	2,425	15,025	2,570	15,430	2,715	15,835	1,585
GS-14	Present	12,210		12,470		12,730		12,990		13,250		13,510		13,770		14,030		14,290		None	
	July 1, 1962	12,665	455	13,090	620	13,515	785	13,940	950	14,365	1,115	14,790	1,280	15,215	1,445	15,640	1,610	16,065	1,775	16,490	
	July 1, 1963	14,310	2,100	14,785	2,315	15,260	2,530	15,735	2,745	16,210	2,960	16,685	3,175	17,160	3,390	17,635	3,605	18,110	3,820	18,585	2,095
GS-15	Present	13,730		14,055		14,380		14,705		15,030		15,290		15,550		15,810		None		None	
	July 1, 1962	14,495	765	14,975	920	15,455	1,075	15,935	1,230	16,415	1,385	16,895	1,605	17,375	1,825	17,855	2,045	18,335		18,815	
	July 1, 1963	16,620	2,890	17,175	3,120	17,730	3,350	18,285	3,580	18,840	3,810	19,395	4,105	19,950	4,400	20,505	4,695	21,060	2,725	21,615	2,800
GS-16	Present	15,255		15,515		15,775		16,035		16,295		None		None							
	July 1, 1962	16,400	1,145	16,945	1,430	17,490	1,715	18,035	2,000	18,580	2,285	19,125		19,670							
	July 1, 1963	19,125	3,870	19,760	4,245	20,395	4,620	21,030	4,995	21,665	5,370	22,300	3,175	[2] 22,935	3,265						
GS-17	Present	16,530		16,790		17,050		17,310		[1] 17,570											
	July 1, 1962	18,350	1,820	18,960	2,170	19,570	2,520	20,180	2,870	20,180	2,610										
	July 1, 1963	21,755	5,225	22,480	5,690	[2] 23,205	6,155	[2] 23,930	6,620	[2] 23,930	6,360										
GS-18	Present	18,500																			
	July 1, 1962	20,315	1,815																		
	July 1, 1963	[2] 24,500	6,000																		

[1] Employees at present 5th rate of GS-17 convert to new 4th rate.

[2] Salary rate for employees at this level may not exceed rate for Members of Congress, currently $22,500.

NOTE.—Rates for grades GS-6 to GS-18 same as President's proposal except for effective dates.

Comparison of present rates with rates in H.R. 9531 for salary schedules of the Foreign Service Act with cumulative increases by class and rate (title III)

Year	Career ambassador		Career minister	
	Salary	Cumulative increase	Salary	Cumulative increase
Present	$20,000		$19,800	
July 1, 1962	23,000	$3,000	22,245	$2,445
July 1, 1963	28,000	8,000	27,290	7,490

FOREIGN SERVICE OFFICER SCHEDULE [1]

Class	Year	Rate 1	Cumulative increase	Rate 2	Cumulative increase	Rate 3	Cumulative increase	Rate 4	Cumulative increase	Rate 5	Cumulative increase	Rate 6	Cumulative increase	Rate 7	Cumulative increase	Rate 8	Cumulative increase
FSO-1	Present	$17,250		$17,650		$18,050		$18,450		$18,850		$19,250		$19,650			
	July 1, 1962	19,580	$2,330	20,235	$2,585	None		None		None		None		None			
	July 1, 1963	22,910	5,660	23,675	6,025												
FSO-2	Present	14,900		15,255		15,610		15,965		16,320		16,675		17,030			
	July 1, 1962	16,115	1,215	16,650	1,395	17,185	$1,575	17,720	$1,755	18,255	$1,935	18,790	$2,115	19,325	$2,295		
	July 1, 1963	18,500	3,600	19,115	3,860	19,730	4,120	20,345	4,380	20,960	4,640	21,575	4,900	22,190	5,160		
FSO-3	Present	12,535		12,890		13,245		13,600		13,955		14,310		14,665			
	July 1, 1962	13,275	740	13,715	825	14,155	910	14,595	995	15,035	1,080	15,475	1,165	15,915	1,250		
	July 1, 1963	14,970	2,435	15,470	2,580	15,970	2,725	16,470	2,870	16,970	3,015	17,470	3,160	17,970	3,305		
FSO-4	Present	10,645		10,945		11,245		11,545		11,845		12,145		12,445			
	July 1, 1962	10,965	320	11,330	385	11,695	450	12,060	515	12,425	580	12,790	645	13,155	710		
	July 1, 1963	12,190	1,545	12,595	1,650	13,000	1,755	13,405	1,860	13,810	1,965	14,215	2,070	14,620	2,175		
FSO-5	Present	8,755		9,055		9,355		9,655		9,955		10,255		10,555			
	July 1, 1962	9,115	360	9,420	365	9,725	370	10,030	375	10,335	380	10,640	385	10,945	390		
	July 1, 1963	9,970	1,215	10,305	1,250	10,640	1,285	10,975	1,320	11,310	1,355	11,645	1,390	11,980	1,425		
FSO-6	Present	7,215		7,455		7,695		7,935		8,175		8,415		8,655			
	July 1, 1962	7,645	430	7,900	445	8,155	460	8,410	475	8,665	490	8,920	505	9,175	520		
	July 1, 1963	8,240	1,025	8,515	1,060	8,790	1,095	9,065	1,130	9,340	1,165	9,615	1,200	9,890	1,235		
FSO-7	Present	6,035		6,215		6,395		6,575		6,755		6,935		7,115			
	July 1, 1962	6,475	440	6,690	475	6,905	510	7,120	545	7,335	580	7,550	615	7,765	650		
	July 1, 1963	6,870	835	7,100	885	7,330	935	7,560	985	7,790	1,035	8,020	1,085	8,250	1,135		
FSO-8	Present	5,085		5,265		5,445		5,625		5,805		5,985		6,165		$6,345	
	July 1, 1962	5,540	455	5,725	460	5,910	465	6,095	470	6,280	475	6,465	480	6,650	485	None	
	July 1, 1963	5,795	710	5,990	725	6,185	740	6,380	755	6,575	770	6,770	785	6,965	800		

FOREIGN SERVICE STAFF SCHEDULE[1]

Class[2]	Year	Rate 1	Cumulative increase	Rate 2	Cumulative increase	Rate 3	Cumulative increase	Rate 4	Cumulative increase	Rate 5	Cumulative increase	Rate 6	Cumulative increase	Rate 7	Cumulative increase	Rate 8	Cumulative increase	Rate 9	Cumulative increase	Rate 10	Cumulative increase	Rate 11
FSS-1	Present	$12,655		$13,030		$13,405		$13,780		$14,155		$14,530		$14,905		$15,280		$15,655		None		
	July 1, 1962	13,275	$620	13,715	$685	14,155	$750	14,595	$815	15,035	$880	15,475	$945	15,915	$1,010	16,355	$1,075	16,795	$1,140	$17,235		
	July 1, 1963	14,970	2,315	15,470	2,440	15,970	2,565	16,470	2,690	16,970	2,815	17,470	2,940	17,970	3,065	18,470	3,190	18,970	3,315	19,470	$2,235	
FSS-1 (now FSS-2)	Present	11,740		12,065		12,390		12,715		13,040		13,365		13,690		14,015		14,340		None		
	July 1, 1962	13,275	1,535	13,715	1,650	14,155	1,765	14,595	1,880	15,035	1,995	15,475	2,110	15,915	2,225	16,355	2,340	16,795	2,455	17,235		
	July 1, 1963	14,970	3,230	15,470	3,405	15,970	3,580	16,470	3,755	16,970	3,930	17,470	4,105	17,970	4,280	18,470	4,455	18,970	4,630	19,470	2,235	
FSS-2 (now FSS-3)	Present	10,785		11,095		11,405		11,715		12,025		12,335		12,645		12,955		13,265		None		
	July 1, 1962	10,965	180	11,330	235	11,695	290	12,060	345	12,425	400	12,790	455	13,155	510	13,520	565	13,885	620	14,250		
	July 1, 1963	12,190	1,405	12,595	1,500	13,000	1,595	13,405	1,690	13,810	1,785	14,215	1,880	14,620	1,975	15,025	2,070	15,430	2,165	15,835	1,585	
FSS-2 (now FSS-4)	Present	9,780		10,090		10,400		10,710		11,020		11,330		11,640		11,950		12,260		None		
	July 1, 1962	10,965	1,185	11,330	1,240	11,695	1,295	12,060	1,350	12,425	1,405	12,790	1,460	13,155	1,515	13,520	1,570	13,885	1,625	14,250		
	July 1, 1963	12,190	2,410	12,595	2,505	13,000	2,600	13,405	2,695	13,810	2,790	14,215	2,885	14,620	2,980	15,025	3,075	15,430	3,170	15,835	1,585	
FSS-3 (now FSS-5)	Present	9,025		9,285		9,545		9,805		10,065		10,325		10,585		10,845		11,105		11,365		
	July 1, 1962	9,115	90	9,420	135	9,725	180	10,030	225	10,335	270	10,640	315	10,945	360	11,250	405	11,555	450	11,860	495	
	July 1, 1963	9,970	945	10,305	1,020	10,640	1,095	10,975	1,170	11,310	1,245	11,645	1,320	11,980	1,395	12,315	1,470	12,650	1,545	12,985	1,620	
FSS-3 (now FSS-6)	Present	8,270		8,500		8,730		8,960		9,190		9,420		9,650		9,880		10,110		10,340		
	July 1, 1962	9,115	845	9,420	920	9,725	995	10,030	1,070	10,335	1,145	10,640	1,220	10,945	1,295	11,250	1,370	11,555	1,445	11,860	1,520	
	July 1, 1963	9,970	1,700	10,305	1,805	10,640	1,910	10,975	2,015	11,310	2,120	11,645	2,225	11,980	2,330	12,315	2,435	12,650	2,540	12,985	2,645	
FSS-4 (now FSS-7)	Present	7,515		7,745		7,975		8,205		8,435		8,665		8,895		9,125		9,355		9,585		
	July 1, 1962	7,645	130	7,900	155	8,155	180	8,410	205	8,665	230	8,920	255	9,175	280	9,430	305	9,685	330	9,940	355	
	July 1, 1963	8,240	725	8,515	770	8,790	815	9,065	860	9,340	905	9,615	950	9,890	995	10,165	1,040	10,440	1,085	10,715	1,130	
FSS-5 (now FSS-8)	Present	6,760		6,990		7,220		7,450		7,680		7,910		8,140		8,370		8,600		8,830		
	July 1, 1962	6,910	150	7,140	150	7,370	150	7,600	150	7,830	150	8,060	150	8,290	150	8,520	150	8,750	150	8,980	150	
	July 1, 1963	7,360	600	7,605	615	7,850	630	8,095	645	8,340	660	8,585	675	8,830	690	9,075	705	9,320	720	9,565	735	
FSS-6 (now FSS-9)	Present	6,005		6,235		6,465		6,695		6,925		7,155		7,385		7,615		7,845		8,075		
	July 1, 1962	6,225	220	6,435	200	6,645	180	6,855	160	7,065	140	7,275	120	7,485	100	7,695	80	7,905	60	8,115	40	
	July 1, 1963	6,580	575	6,800	565	7,020	555	7,240	545	7,460	535	7,680	525	7,900	515	8,120	505	8,340	495	8,560	485	
FSS-7 (now FSS-10)	Present	5,500		5,690		5,880		6,070		6,260		6,450		6,640		6,830		7,020		7,210		$7,400
	July 1, 1962	5,610	110	5,800	110	5,990	110	6,180	110	6,370	110	6,560	110	6,750	110	6,940	110	7,130	110	7,320	110	None
	July 1, 1963	5,890	390	6,085	395	6,280	400	6,475	405	6,670	410	6,865	415	7,060	420	7,255	425	7,450	430	7,645	435	

See footnotes at end of table, p. 106.

Comparison of present rates with rates in H.R. 9531 for salary schedules of the Foreign Service Act with cumulative increases by class and rate (title III)—Continued

FOREIGN SERVICE STAFF SCHEDULE—Continued

Class [2]	Year	Rate 1	Cumulative increase	Rate 2	Cumulative increase	Rate 3	Cumulative increase	Rate 4	Cumulative increase	Rate 5	Cumulative increase	Rate 6	Cumulative increase	Rate 7	Cumulative increase	Rate 8	Cumulative increase	Rate 9	Cumulative increase	Rate 10	Cumulative increase	Rate 11
FSS–8	Present	5,000		5,155		5,310		5,465		5,620		5,775		5,930		6,085		6,240		6,395		6,550
(now	July 1, 1962	5,060	60	5,230	75	5,400	90	5,570	105	5,740	120	5,910	135	6,080	150	6,250	165	6,420	180	6,590	195	None
FSS–11).	July 1, 1963	5,270	270	5,445	290	5,620	310	5,795	330	5,970	350	6,145	370	6,320	390	6,495	410	6,670	430	6,845	450	
FSS–9	Present	4,495		4,650		4,805		4,960		5,115		5,270		5,425		5,580		5,735		5,890		6,045
(now	July 1, 1962	4,575	80	4,725	75	4,875	70	5,025	65	5,175	60	5,325	55	5,475	50	5,625	45	5,775	40	5,930	40	None
FSS–12).	July 1, 1963	4,715	220	4,870	220	5,025	220	5,180	220	5,355	220	5,490	220	5,645	220	5,800	220	5,955	220	6,110	220	
FSS–10	Present	4,010		4,165		4,320		4,475		4,630		4,785		4,940		5,095		5,250		5,405		5,560
(now	July 1, 1962	4,110	100	4,250	85	4,390	70	4,530	55	4,670	40	4,825	40	4,980	40	5,135	40	5,290	40	5,445	40	None
FSS–13).	July 1, 1963	4,215	205	4,355	190	4,495	175	4,635	160	4,775	145	4,915	130	5,060	120	5,215	120	5,370	120	5,525	120	

[1] The within-class rate to which an individual is converted will be determined by the Secretary of State. These comparisons assume conversion to the numerically corresponding rate.

[2] Employees in classes 1 through 13 of the Foreign Service Staff schedule will be transferred to new classes of that schedule in accordance with provisions in the bill. Employees in class 14 or below will remain at present class and salary until other classes or rates are established by the Secretary of State.

NOTE.—Rates same as President's proposal except for effective dates.

Comparison of present rates with rates in H.R. 9531 for salary schedules of the Department of Medicine and Surgery, Veterans' Administration (title IV)

	Chief Medical Director		Deputy Chief Medical Director		Assistant Chief Medical Director		Medical directors [1]		Director of Nursing Services, Chief Pharmacist, Chief Dietitian			
	Salary	Cumulative increase	Salary	Cumulative increase	Salary	Cumulative increase	Salary	Cumulative increase	Minimum salary	Cumulative increase	Maximum salary	Cumulative increase
Present	$21,050		$19,870		$18,685		[1] $17,740		$13,730		$15,030	
July 1, 1962	23,000	$1,950	22,245	$2,375	20,315	$1,630	20,180	$2,440	14,495	$765	18,815	$3,785
July 1, 1963	28,000	6,950	27,290	7,420	24,500	5,815	23,930	6,190	16,620	2,890	21,615	6,585

PHYSICIAN AND DENTIST SCHEDULE

Grade	Year	Minimum salary	Cumulative increase	Maximum salary	Cumulative increase
Director [1]	Present	None		None	
	July 1, 1962	$16,400		$19,670	
	July 1, 1963	19,125	$2,725	22,935	$3,265
Executive [2]	Present	None		None	
	July 1, 1962	15,410		19,570	
	July 1, 1963	17,835	2,425	22,595	3,025
Chief	Present	13,730		15,030	
	July 1, 1962	14,495	765	18,815	3,785
	July 1, 1963	16,620	2,890	21,615	6,585
Senior	Present	12,210		13,510	
	July 1, 1962	12,665	455	16,490	2,980
	July 1, 1963	14,310	2,100	18,585	5,075
Intermediate	Present	10,635		11,935	
	July 1, 1962	10,965	330	14,250	2,315
	July 1, 1963	12,190	1,555	15,835	3,900
Full	Present	8,955		10,255	
	July 1, 1962	9,380	425	12,215	1,960
	July 1, 1963	10,270	1,315	13,375	3,120
Associate	Present	7,560		8,860	
	July 1, 1962	7,960	400	10,345	1,485
	July 1, 1963	8,580	1,020	11,145	2,285
Junior [4]	Present	6,995		7,985	

[1] Formerly directors of services and chiefs of division, salary range $15,640–$17,740.
[2] New grade.

NOTE.—Rates same as President's proposal except for effective dates.

NURSING SCHEDULE

Grade	Year	Minimum salary	Cumulative increase	Maximum salary	Cumulative increase
Assistant Director [2]	Present	None		None	
	July 1, 1962	$12,665		$16,490	
	July 1, 1963	14,310	$1,645	18,585	$2,095
Chief [2]	Present	None		None	
	July 1, 1962	10,965		14,250	
	July 1, 1963	12,190	1,225	15,835	1,585
Senior [3]	Present	8,955		10,255	
	July 1, 1962	9,380	425	12,215	1,960
	July 1, 1963	10,270	1,315	13,375	3,120
Intermediate [3]	Present	7,560		8,860	
	July 1, 1962	7,960	400	10,345	1,485
	July 1, 1963	8,580	1,020	11,145	2,285
Full	Present	6,435		7,425	
	July 1, 1962	6,675	240	8,700	1,275
	July 1, 1963	7,095	660	9,210	1,785
Associate	Present	5,600		6,630	
	July 1, 1962	5,820	220	7,575	945
	July 1, 1963	6,115	515	7,960	1,330
Junior	Present	4,760		5,790	
	July 1, 1962	5,035	275	6,565	775
	July 1, 1963	5,235	475	6,810	1,020

Former grades of Assistant Director and senior grade have been retitled "Senior grade" and "Intermediate grade," respectively.
[4] This grade will be abolished.

MINORITY VIEWS ON H.R. 9531

This legislation is completely unjustified and should be disapproved.

It is a cruel hoax upon over a million and a half Federal employees because it raises their hopes beyond any reasonable expectation of fulfillment.

It is unfair to the Government because it weakens the Federal civilian salary structure with discriminatory preference for certain groups of employees.

And it is grossly unfair to the taxpayers because it would use their money to grant exorbitant pay raises to the preferred employees.

Enactment of this bill would still further distort the already confused salary structure of the Federal civil service and would compound and aggravate the inequities and contradictions built into it by earlier flat-percentage and across-the-board pay raises.

The excessive cost of the bill—nearly $1.5 billion a year beginning in 1964, the most extravagant ever approved by the committee—would be a wholly unwarranted raid on the Treasury, at the expense of the heavily overburdened taxpayers.

The bill would violate the wage-price guidelines laid down by the President upon recommendation of the Council of Economic Advisers, with far-reaching and dangerous impact on the general economy. It undoubtedly would cause a resurgence of the wage-price spiral and ignite a new inflationary trend.

In short, this bill in large part is a repetition of the "meat ax" legislative approach, adopted too often in the past, that has undermined our Federal civilian salary system to a point where it is a handicap to management instead of the vital force for efficiency and achievement it should be.

REJECTS PRINCIPLES OF SOUND PAY STRUCTURE

But the most glaring fault—the most unfortunate and damaging aspect—of this legislation is wanton waste of a golden opportunity to accomplish the greatest forward stride toward a sound, effective, and lasting Federal civilian salary system that has been presented to the Congress since enactment of the Classification Act of 1923. This opportunity was afforded in a special message sent by the President to the Congress on February 20, 1962, recommending legislation to reform the four major Federal statutory salary systems.

The President's Salary Reform Proposal

OBJECTIVES

The President in his message said—

> Salaries (of Federal employees) should be fixed under well-understood and objective standards high enough to attract and retain competent personnel, sufficiently flexible to motivate initiative and industry, and comparable with the salaries received by their counterparts in private life. To pay more than this is to be unfair to the taxpayers—to pay less is to degrade the public service and endanger our national security.
>
> This proposal has two principal features:
>
> 1. It establishes a sound, objective, and continuous standard for determining proper salary levels by following the concept of comparability—reasonable comparability with prevailing private enterprise salaries for the same levels of work insofar as this is possible, as determined from painstaking statistical surveys and careful job comparisons; and
> 2. It establishes realistic and appropriate salary relationships both within and among the several statutory salary systems and each of their grade levels, by following the principle of equal pay for equal work, with distinctions in pay consistent with distinctions in responsibility and performance.
>
> It is important for the Federal Government to adhere to its own precepts with respect to pay adjustments in the economy as a whole. Because of the salary lag that has developed over the past 17 years, full correction of the accrued inequities in one year would be unwise, involving the substantial cost of more than $1 billion. This cost would come at a time when heavy budgetary demands have been placed upon us to meet great national security needs, and when the Government is urging private labor and management to exercise self-restraint to avoid the creation of inflationary pressures. Therefore, to reduce the impact in any one year, the plan I recommend provides that the cost be distributed over three annual stages, beginning prospectively on January 1, 1963.
>
> The substantial costs necessarily involved in achieving this pay reform make it especially important that the improvements in our pay systems take absolute priority over general percentage or dollar increases of the kind we have seen in the past—increases which make little, if any, contribution to efficiency or economy in Government.

The President's proposal is contained in H.R. 10480, and was the subject of the most exhaustive and informative public hearings ever conducted by the House Post Office and Civil Service Committee.

BACKGROUND

There have been four major, authoritative studies of the Federal civilian salary structure during the past 7 years, as well as a number of special studies of certain phases. Each such study has disclosed serious defects, inequities, and inadequacies and has demonstrated the need for corrective measures. The first three such studies [1] have fallen by the wayside for lack of congressional implementation. The President's salary reform proposal is based primarily on results of the fourth study, which was undertaken 5 years ago in the last administration and completed in the present administration.

This study is by far the most intensive, discerning, and productive study of a key Federal personnel management area undertaken since the Classification Act of 1923—if not since the Civil Service Act of 1883. Its constructive results are a tribute to the very able, diligent, and informed efforts of the eminently qualified research and advisory staff, recruited from Government departments and agencies, outstanding representatives of the business, industrial, and educational communities, and leading authorities in public administration, who conducted the study. The study, the recommendations it developed, and the President's proposal which implements those recommendations are completely nonpartisan, with the sole objective of identifying the deficiencies in our Federal salary structure, correcting the deficiencies, and preventing their recurrence.

SALARY REFORM URGENTLY NEEDED

The President's proposal is directed to the establishment and application, on a Government-wide basis, of a coordinated, equitable, and reasonably uniform Federal civilian salary system that will promote efficiency and economy in essential Government programs, will assure the taxpayers of receiving full value in service for every dollar of their money paid out in Government salaries, and will provide Federal employees rates of compensation reasonably comparable to those of their fellow workers in private enterprise whose levels of duty and responsibility are comparable. The present lack of such a sound and lasting salary system constitutes one of the most serious and dangerous weaknesses in the structure of our Federal Government.

STRONG PUBLIC AND OFFICIAL SUPPORT

The President's message was fully documented when submitted and since has been further amplified and corroborated in direct testimony by the ablest panel of authoritative witnesses ever to appear at public hearings before the committee. Statements of the Postmaster General, the Secretary of Labor, the Secretary of Commerce, the Director of the Bureau of the Budget, the Chairman of the U.S. Civil Service Commission, the Under Secretary of Defense, the Under Secretary of the Treasury, the Under Secretary of Agriculture, the Administrator of the National Aeronautics and Space Administration, the Administrator of the Federal Aviation Agency, the Administrator

[1] Report of Committee on Scientists and Engineers for Federal Government Programs (April 1957) (the Young report).
Report of the Defense Advisory Committee on Professional and Technical Compensation; Part II. Civilian Personnel (May 1957) (the Cordiner report).
Report on Civilian Compensation in the Executive Branch of the Federal Government (November 1957) (the O'Connell report).

of Veterans' Affairs, and the Deputy Under Secretary of State for Administration, among others, conclusively demonstrate the need for approval of the President's proposal.

The administration witnesses were strongly supported by independent nonpartisan public-service groups, such as the National Civil Service League—always in the forefront of moves toward better government since its original success in obtaining enactment of the Civil Service Act of 1883—the U.S. Chamber of Commerce, the National Association of Manufacturers, and the Tax Foundation, Inc. Leaders in business and private life such as Ralph J. Cordiner, chairman of the board, General Electric Co.; Marion B. Folsom, director and management adviser, Eastman Kodak Co., and former Secretary of Health, Education, and Welfare; Dan A. Kimball, president, Aerojet-General Corp., and former Secretary of the Navy; L. Eugene Root, president, Lockheed Missiles & Space Co.; Clarence B. Randall, president and chairman of the board of the Inland Steel Co.; and Dr. James R. Killian, Jr., chairman of the corporation of the Massachusetts Institute of Technology, strongly endorsed the proposal and urged its early enactment.

Their views are most ably summed up in the following letter from another distinguished American—Hon. Neil Hosler McElroy, president of a great and successful business enterprise and former Secretary of Defense:

Hon. Tom Murray,
Chairman, Committee on Post Office and Civil Service,
House of Representatives,
Washington, D.C.

Dear Mr. Chairman: I have followed, with deepening concern, the progress of the Federal salary reform legislation—a problem which affects the efficiency of the entire Federal system so fundamentally that I gave it close attention not only during my public service in Washington, but also before that service and since returning to private life.

Too many citizens who criticize Federal personnel for alleged lethargy, wasteful practices, and lack of vision are prone to resist the very measures which will assure greater efficiency, economy, and competence. This pending pay reform legislation is a case in point, for again a sensible pay reform seems to be tending to deteriorate into a general pay raise which would carry forward and even worsen many of the present distortions.

So disheartening a prospect prompts this letter to you. The pay reform recommendations of President Kennedy are, as you know, foursquare with those proposed by President Eisenhower, so there can be no question of partisan purpose here. In my judgment the administration recommendation before you will, if approved, reward not only our Nation as a whole, but also each individual taxpayer, through marked improvement in Federal personnel procedures and incentives.

Based on both business and governmental experience, I urge that these features be held to firmly as this legislation proceeds:

1. Comparability of pay between Federal and private business for positions requiring comparable responsibility, competence, and initiative.

2. A system of annual review to help maintain this comparability over coming years.

3. Easing of the very harmful compression in the entire Federal salary structure by a substantial upward revision of top governmental salaries.

4. Relief from the inefficiencies and self-defeating personnel compromises which result from severe limitations on supergrade positions.

5. Avoidance of any pay increase, on any level, which cannot be justified on comparability or economic grounds.

6. In all of this, avoidance of excessive cost through elimination of unneeded personnel.

I am not unaware that pressures build up in connection with legislation of this kind which tend to substitute flat general pay increases for pay reform. But to go on year after year, deferring urgently needed modernization of Federal pay and further to distort Federal pay scales by restraining the top salaries while biennially raising lower grade salaries above comparability levels, is to guarantee injury to every citizen in this country.

My congratulations to you for fighting for the sound objectives sought by the President.

I urge that you and your colleagues, in concert with the administration, continue to place your emphasis upon modernization of the pay structure instead of perpetuating existing troubles, and upon the goal of high performance by all in the Federal service, with favoritism to none.

Sincerely,

(Signed) Neil McElroy.

The breadth and the scope of experience and knowledge, the wise counsel and American "know-how," thus made available is unparalleled in the deliberations of the Congress relating to personnel management. It is to be emphasized that testimony of these leaders in Government and private enterprise is entirely without personal interest or benefit, other than a public-spirited concern with better Government and fair treatment of Government personnel. Apart and aside from the value of their acknowledged expertise, the probity and the impartiality of their testimony is beyond question. They have no ax to grind except a truly patriotic and unselfish desire for a strong and efficient Government to serve the United States. Many of them are serving, or have served, their Government at considerable personal sacrifice.

H.R. 9531 Destroys Salary Reform

Proponents of the reported bill have insisted that it will place in effect "95 percent of the President's recommended salary reform program," and committee action on the bill is largely attributable to such insistence. The plain and unvarnished truth is that such is not the fact, and the resultant misapprehensions have led to one of the most undesirable, most unfortunate, and certainly most costly measures ever approved by the committee.

The bill is a self-contradictory monstrosity which attempts to reconcile the irreconcilable—a forced marriage of the sound principles of comparability and internal alinement, on the one hand, and the very unsound contrivance of excessive and discriminatory pay rates

for preferred groups of employees on the other hand. The provisions for a salary "committee" and for annual salary reviews are no more than a pretense when coupled immediately, as they are in the bill, with salary rates in the heavily populated lower levels which vitiate comparability and proper internal alinement.

The bill would shatter the keystones of the President's plan—comparability and internal alinement—by the arbitrary and groundless granting of excessive and costly salaries to the 960,000 Federal employees in the first four postal field service levels, the rural delivery service, and the first five classified grades. These rates distort salary relationships within the Government and place the salaries of nearly 60 percent of the Federal employees affected far above and beyond the salaries paid to their fellow workers in private enterprise who have comparable levels of duty and responsibility. With this radical departure from essential salary reform principles for the majority of Federal employees, other provisions of the bill which purport to aid those principles are but superficial lip service—of no value, force, or effect.

Specific Objections

POSTAL FIELD SERVICE SALARY SCHEDULE

The salary rates for the first seven levels of the postal field service schedule distort pay relationships so as to destroy the comparability and internal alinement principles which are central to the President's salary reform proposal. Such rates are based on no objective or measurable standard. They bear no discernible relationship to private enterprise salary levels. They destroy the precisely designed, uniform percentage differences between successive pay levels recommended by the President to give appropriate recognition in pay consistent with differences in the responsibility and difficulty of the respective levels of work. They are the result of arbitrary and uninformed juggling of the carefully planned salary schedule recommended by the President. Over 498,000 employees, or 95 percent of those paid under this schedule, are in these seven levels.

The postal field service salary line recommended by the President was constructed from data derived in surveys by the Bureau of Labor Statistics and from evaluation of the responsibility and difficulty of the various levels of work within the postal service. It provided a sound basis for comparability of postal field service and private enterprise salaries—through the linking principle, which equates postal field service (PFS) levels 4, 11, and 20 with grades GS–5, GS–11, and GS–17 of the Classification Act of 1949, respectively—and established realistic and appropriate salary relationships both within the postal field service schedule and between that schedule and the several other statutory salary systems. Distortion in H.R. 9531 of the proper pay line will make it most difficult, if not impossible, to give practical effect to the principles of comparability and internal alinement as stated in section 601 of the bill.

The scheduled rates for postal field service levels 1 through 7, as provided in section 102 of the bill, reflect only a desire to give a fat pay raise—without any regard to these desirable principles of salary reform laid down by the President.

88294—62——8

This distortion of rates is compounded with respect to employees in postal field service levels 1 through 4 who are now on the rolls, as a result of the additional step increase upon conversion to the new pay schedules provided for by section 108 of the bill. The advantage to such employees will immediately create problems in connection with promotions because it will enable employees who are promoted after conversion to the new schedule to be advanced ahead of employees who already had been promoted before conversion. This result is commonly referred to as "leapfrogging," and is one of the most undesirable and discriminatory results that can be achieved by salary legislation.

To illustrate, under this bill an employee who, prior to conversion to the new schedule in the bill, had been promoted from step 7 of level 4 would have been placed in step 7 of level 5. But a junior employee in step 7 of level 4 who might be promoted after the conversion would be placed in step 8 of level 5. The unfair advantage thus gained by the junior employee under the bill would continue for the next 15 years—until the senior employee shall have reached step 12 of level 5. This kind of arbitrary and discriminatory advancement is not dictated by any justifiable requirement of conversion to the new pay schedule, and is wholly indefensible.

RURAL CARRIER SCHEDULE

According to the Post Office Department, the postal pay provisions most evidently in need of reform are those applicable to rural carriers, and this view is strongly supported by a report by the Comptroller General of the United States [2] summarizing the results of a special review by the General Accounting Office of salaries of rural carriers.

The President's salary reform proposal contained provisions to modernize the rural carriers' salary system and restore equitable salary relationships among rural carriers and between such carriers and other postal and Federal employee groups. This highly desirable reform of the rural carriers' pay system would be discarded by H.R. 9531. In its stead, the present obsolete method of fixing rural carriers' pay—primarily on the basis of miles of route—would be continued and further overliberalized by excessive increases, thus perpetuating and compounding the present inequities.

The report of the Comptroller General strongly criticizes the wide variances in hourly pay of rural carriers—with rates ranging from $1.47 to $10.22 an hour—disclosed in the General Accounting Office review and recommends that the Post Office Department propose legislation to correct the inequities. The President's salary reform plan would carry out this recommendation, but H.R. 9531 proceeds in a diametrically opposite direction.

SUBSTITUTE POSTAL EMPLOYEES

Aside from such excessive general salary increases, H.R. 9531 contains a most complex and costly provision relating to substitute postal employees. These employees comprise an auxiliary work force which is utilized to supplement the regular force during peakloads of work

[2] Report by the Comptroller General of the United States entitled "Review of Selected Rural Delivery Service Activities, Post Office Department," submitted to the Congress Mar. 12, 1962.

and to meet emergencies as the needs of the postal service dictate. They have no established work schedules or tours of duty.

Section 116 of H.R. 9531 extends to these employees the benefits of (1) the 8- within 10-hour tour, (2) compensatory time for Saturday and Sunday work in months other than December, and (3) overtime compensation for Saturday and Sunday work in December as well as for work in excess of 8 hours in a day. It is estimated that one-third of the total substitute man-years are worked during hours or on days when these benefit provisions would be operative, even though many substitutes average less than 40 hours of employment per week.

Moreover, section 116 extends to these employees the benefit of premium compensation for work on holidays. Since pay for holidays is already prorated in the established hourly wage of a substitute employee, this change will provide holiday premium pay at more than 200 percent of the hourly basic rate paid a regular employee in the same step. This would be highly discriminatory in comparison to the 100-percent premium paid to a regular employee for an hour of work on a holiday.

It is estimated that enactment of this extraordinary provision alone would add $145 million annually to the operating cost of the Post Office Department.

CLASSIFICATION ACT

The salary rates for the first five classified grades also distort pay relationships in the classified salary system so as to destroy the comparability and internal alinement principles of the President's salary reform proposal, although to a lesser extent than is the case with respect to the postal salary schedules. Thus, the classified schedule in the bill is subject to the same objections as apply to the postal schedules; the only difference is in quantity. The classified rates represent a somewhat lesser arbitrary juggling of the carefully planned internal salary alinement of the President's proposal. But, nevertheless, as to the first five grades they destroy both comparability with private enterprise salary levels and proper recognition in pay consistent with differences in the responsibility and difficulty of the respective levels of work. Over 450,000 employees, or 45 percent of all classified personnel, are in these five grades.

Aside from such distortion, the increases in the bill for the first five classified grades, when compared with the increases granted postal employees in the lower levels, present a further and startling example of the discriminatory and inequitable policies which characterize the bill throughout. For example, classified employees in grade 5 would receive an average raise of only 8.2 percent, while postal workers in level 4—whose duties and responsibilities certainly are no more exacting and, in truth, until recently were equated with a lower classified level—will be given increases ranging from 11.2 percent to 15 percent. The bill extends similar preferential treatment to postal employees, as compared with their fellow workers in the classified service, at postal field service levels 1, 2, and 3, and in the rural delivery service. The rural carrier schedule raises are even richer than those for postal field service level 4, which covers city letter carriers and most of the postal clerks.

RETROACTIVITY

Another highly objectionable feature of H.R. 9531 is the provision therein for retroactivity of the lavish pay raises. In terms of cost, the 6-month earlier effective date represents an expense to the Treasury $440 million greater for the current fiscal year than would be incurred under the President's salary reform proposal. Moreover, retroactivity pyramids the administrative problems and difficulties of installing the completely new pay systems which the bill would establish. Many salary actions—and particularly longevity advancements made after the July 1, 1962, effective date but before enactment—would have to be recalled. The multiplicity of effective dates in the bill adds still further unnecessary administrative complications. It is to be noted that these factors also would give rise to increased costs of administration which, although not susceptible of accurate determination in advance, undoubtedly would be substantial—even apart and aside from the adverse effect on efficient management due to the diversion of administrative time and effort more urgently needed elsewhere in the interest of efficient Government postal service.

Administration Strongly Opposes H.R. 9531

When inflated lower level salary scales such as those proposed in this bill first were placed before the committee, the views of the administration were requested and were submitted in a letter from the Director of the Bureau of the Budget dated July 24, 1962. The letter, which tests those salary scales against the cardinal principles of Federal salary reform recommended by the President, represents the strong and unanimous judgment of the Director of the Bureau of the Budget, the Postmaster General, and the Chairman of the U.S. Civil Service Commission—upon whom the President has imposed full responsibility in the matter.

The letter reemphasizes and reiterates earlier administration testimony that three major features of the President's salary reform proposal are *"fundamental to any acceptable Federal pay reform bill."* [Emphasis supplied.]

The first of such major features is the establishment of a "clear-cut standard of comparability" with private enterprise salaries—that is, comparability in all grades and levels of the Federal statutory salary systems, not just those grades and levels covering 40 percent of the employees as provided by the reported bill.

The second such feature is a valid and reliable system for constructing and interrelating Federal salary schedules.

The third is a method for annual review and adjustment of salaries, where and to the extent appropriate, founded upon valid evidence for which effective provision was made in the President's proposal.

The reported bill fails miserably in these three tests.

It ignores and rejects comparability for 60 percent of the employees.

It further distorts, rather than improves, the internal alinement of Federal salaries and precludes a proper interrelationship between and among the various salary levels which would provide equal pay for equal work and differences in pay for substantial differences in work.

It renders nugatory the plan for annual salary review to maintain the comparability and internal alinement principles in the future, because it is founded on the false premise of pay rates for preferred employee groups which destroy those principles.

The letter from the Director of the Bureau of the Budget should be fair warning to all concerned of the prospect that this bad legislation will not become law even if enacted by the Congress.

Breaches Wage-Price Guidelines

One of the outstanding programs of the administration—conducted with the excellent cooperation and assistance of private enterprise labor and management—has been the program to arrest and control inflation through the establishment of wage-price guidelines and the voluntary maintenance of such guidelines throughout the national economy. Success of this program up to the present time is a great tribute to the unselfish and public-spirited response of both labor and management in the interest of the general welfare.

Moderate and beneficial settlements between labor and management in our critical steel, aluminum, and railroad industries—to name just a few—during the past year have had a highly desirable stabilizing effect on the economy and are widely regarded as constituting a pattern well to be followed in labor-management relations. These settlements—arrived at through the give-and-take of the bargaining table—all have been made within the framework of the wage-price guidelines recommended by the Council of Economic Advisers. Their value is priceless in fostering the reinvigorated growth in our economy which we must attain if the United States is to carry out its domestic and worldwide commitments. Public response has been enthusiastically favorable, and plainly evidences the expectation that this pattern will be followed elsewhere to the benefit of all concerned.

But the American public, as well as labor and management, also is well aware of the beneficent intervention of the Federal Government in these private enterprise affairs and it is common knowledge—without detracting at all from the good faith of the parties and their regard for the national interest—that such intervention has had a persuasive influence. What, then, would be the public reaction—what would be the feelings of labor and management who settled their private enterprise differences within the wage-price guidelines—were the Government itself to be the first to breach its own guidelines? For that is exactly what the reported bill will do. It would make a shambles of wage-price guidelines and all of the economic gains that have been founded on the guidelines. Public resentment would be matched only by loss of public confidence in the Government, and the upward wage-price spiral would bore again with renewed vigor into our economy.

Cost

The following table sets forth, in summary form, a comparison of costs of H.R. 9531 and of the President's proposal for the current fiscal year and the three following fiscal years.

Comparison of Costs for Fiscal Years 1963–66, Inclusive

Federal salary legislation—President's proposal (H.R. 10480) and reported bill (H.R. 9531)

[In millions]

Fiscal year	Classification Act		Post Office		VA medicine and surgery		Foreign Service		Total, 4 systems		Excess cost of H.R. 9531, 4 fiscal years
	H.R. 10480	H.R. 9531	H.R. 10480	H.R. 9531	H.R. 10480	H.R. 9531	H.R. 10480	H.R. 9531	H.R. 10480	H.R. 9531	
1963	$154	$375	$59	$483	$6	$12	$5	$10	$224	$880	$656
1964	432	788	168	601	18	31	15	27	633	1,447	814
1965	646	788	243	601	27	31	23	27	938	1,447	509
1966	734	788	267	601	31	31	27	27	1,059	1,447	388
Total											$2,367
Add: Excess cost (cumulative, 4 years) of increases for employees in the judicial branch, congressional employees, agricultural stabilization and conservation county committee employees, none of whom were covered by the President's proposal (excludes employees whose rates are fixed by administrative action, for whom comparable raises would be authorized by H.R. 9531, with respect to whom cost estimates are not available)											78
Total											$2,445

The immoderate cost of this legislation in and of itself is more than sufficient to warrant its disapproval. To proceed further with such a bill, which is destructive of both management needs and essential budgetary considerations, would be the height of fiscal irresponsibility.

As pointed out earlier, enactment of this legislation would superimpose the vast sum of nearly $1.5 billion—$1,469 million to be specific—on the national budget and on the taxpayers' burden beginning in the fiscal year 1964 and for every year thereafter. Such an exorbitant increase in the financial obligations of the Government is utterly insupportable—especially in the light of priority in financial commitments for our critical defense effort and other domestic and worldwide programs. While somewhat encouraging reports are available as to the state of the national economy and prospects for its betterment, neither the general economy nor the condition of the public treasury is so robust as to warrant the belief they can support "giveaway" Federal salary legislation without serious repercussions.

The President in the message submitting his salary reform proposal stressed the necessity for moderation—indeed, for extreme caution—in the consideration and adoption of measures to strengthen the Federal civilian salary system. His proposed salary reform, therefore, provided a comprehensive plan for modernization of the four major statutory salary systems so that the ultimate objective of reasonable comparability with private enterprise pay levels would be attained with a moderate, gradual, and entirely manageable impact on the budget and on the purse of the American taxpayer. The salary lines in the President's proposal were carefully constructed by testing against the fundamental wage-price stabilization guidelines recommended for private enterprise, along with the application of the principles of reasonable comparability with private enterprise salary rates and proper internal alinement.

The great value to management of the President's proposed salary system—the impetus to efficiency and greater achievement in Government programs to be gained from such a modern system—were precisely gauged to insure that they would be well worth the cost. As further assurance of this objective, the President's proposed reforms were to be placed in effect in three phases, effective January 1 of 1963 and of each of the next 2 ensuing years. This was one of the most important features of the proposal—a feature without which even those salary adjustments recommended by the President might not be justified because of the likelihood of resultant additional deficit spending. But this feature would be abandoned by H.R. 9531, along with all of the principles of salary reform which the Administration has stated are "fundamental to any acceptable Federal pay reform bill."

H.R. 9531 purports, with its inflated schedules, to arrive at "comparability" in two phases, in lieu of the three phases recommended by the President. If the principle of comparability is to be given meaningful application, the three-phase approach is a practical necessity. To attempt to accomplish such application in two years is, to all intents and purposes, to invite pressure for further tampering with the bases for constructing valid salary schedules during the next Congress—and very probably in an election year.

Conversely, the President's plan to move into pay reform in three phases is entirely consistent with the growing practice in private

enterprise, as witness recent settlements by major shirt manufacturers; glass container manufacturers; associated general contractors (California) for carpenters and laborers; major meatpackers; two of the three largest automobile manufacturers; and the Atlantic and Gulf coasts shipping industry for masters, mates, and pilots. It is even more suitable for the Federal Government, in view of the ground that needs to be made up, the need for financial stability of our Government, and the generally unfavorable economic climate so far as concerns too rapid and too costly pay raises for very large numbers of employees.

All of these considerations would be set aside and ignored were H.R. 9531 to be enacted. The cost of this bill for the first 4 years would be $2.445 billion greater than the cost of the President's proposal for the same period. Moreover, for each and every fiscal year thereafter the cost would be $410 million greater than that of the President's proposal. The Government and the taxpayers simply cannot afford the luxury of such a handout and still maintain any semblance of fiscal responsibility.

Disapproval of H.R. 9531 Urged

This legislation is highly undesirable, and its disapproval by the House of Representatives is strongly urged.

Tom Murray.
Edward J. Derwinski.

SUPPLEMENTAL VIEWS OF HON. EDWARD J. DERWINSKI ON H.R. 9531

Federal salary increase controversies have become, unfortunately, a political football which haunted the Eisenhower administration and have now arisen to plague the present administration.

President Kennedy properly recommended to the Congress a long-range reform of the Federal salary system with sound proposals establishing the principle of government-private enterprise salary comparability. The administration's recommendations, ably and effectively presented to our committee by Postmaster General Day and Civil Service Commission Chairman Macy were rejected, unfortunately, by a majority of the committee.

Frankly, the measure as finally approved by the committee openly invites a Presidential veto. It is to this point that I wish to direct my personal comments. The bill as approved basically disregards the administration's recommendations and does not provide proper, long-term salary adjustments, contains glaring omissions, and extends rather than reforms basic inequities in the present Federal salary structure.

A substantial majority of our Federal employees need a pay raise. The spirit and effectiveness of Federal employees would be fundamentally improved by a sound, long-term salary increase, which would serve as an inducement for men and women to enter and remain in Federal service as a career.

Federal salary increases should be above politics. They should be developed on the basis of sound personnel practices and must be related to the condition of the Federal budget, the cost of living, and individual skills. Increases produced on a long-term basis remove constant worry and anxiety from the minds of Federal employees, thus materially improving their esprit de corps and productivity.

I must reemphasize that it is an act of total irresponsibility for the Congress to pass a bill increasing Federal salaries in such a manner as to tempt a Presidential veto. The bill before us differs in such substantial nature from administration recommendations that it actually places the President in this dilemma: *either he must veto the bill, saddling his administration with the resulting political ill effects, or he must accept the measure, thus abandoning his meritorious proposals, and be forced to publicly retreat from his stated convictions.*

NO PRESIDENT SHOULD BE PLACED IN SUCH A POSITION.

Therefore, it is my hope that when the bill reaches the floor of the House it can be amended to provide long-term salary increases within the basic guidelines recommended by the administration so that we can produce the long-needed overhaul and adjustment of the Federal salary structure and remove the entire issue from the realm of political considerations.

I favor long-term Federal salary reform coupled with an immediate, practical increase. A piecemeal proposal perpetuates inequities and

is an injustice to all Federal employees. I hope the House will be given an opportunity to correct the action of this committee and to affirmatively act on behalf of those Federal employees needing and deserving increases.

Lest we forget, the taxpayer has a tremendous investment in long-term, effective Federal salary reform since more efficient Government service will produce a long-range saving to the taxpayers who provide Government revenues.

We, as members of the legislative branch, must meet our responsibility to Federal employees, to the taxpayer, and must cooperate with the executive branch in developing effective personnel programs which will produce maximum efficiency in the operation of the Federal Government.

EDWARD DERWINSKI.

○

Union Calendar No. 1053

87TH CONGRESS
2D SESSION

H. R. 9531

[Report No. 2509]

IN THE HOUSE OF REPRESENTATIVES

JANUARY 10, 1962

Mr. MORRISON introduced the following bill; which was referred to the Committee on Post Office and Civil Service

OCTOBER 2, 1962

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To amend the law relating to pay for postal employees.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

~~SHORT TITLE~~

~~SEC. 101. This Act may be cited as the "Postal Employees' Salary Act of 1962".~~

~~POSTAL FIELD SERVICE SCHEDULE~~

~~SEC. 102. The Postal Field Service Schedule contained in subsection (a) of section 3542 of title 39 of the United States Code is amended to read as follows:~~

"POSTAL FIELD SERVICE SCHEDULE

"Level	Per annum rates and steps					
	1	2	3	4	5	6
1	$4,425	$4,565	$4,705	$4,845	$4,985	$5,125
2	4,700	4,845	4,990	5,135	5,280	5,425
3	5,010	5,165	5,320	5,475	5,630	5,785
4	5,400	5,570	5,740	5,910	6,080	6,250
5	5,650	5,820	5,990	6,160	6,330	6,500
6	5,900	6,075	6,250	6,425	6,600	6,775
7	6,300	6,485	6,670	6,855	7,040	7,225
8	6,700	6,905	7,110	7,315	7,520	7,725
9	7,000	7,225	7,450	7,675	7,900	8,125
10	7,600	7,840	8,080	8,320	8,560	8,800
11	8,300	8,560	8,820	9,080	9,340	9,600
12	9,000	9,285	9,570	9,855	10,140	10,425
13	9,860	10,170	10,480	10,790	11,100	11,410
14	10,775	11,110	11,445	11,780	12,115	12,450
15	11,775	12,140	12,505	12,870	13,235	13,600
16	12,900	13,265	13,630	13,995	14,360	14,725
17	14,500	14,865	15,230	15,595	15,960	16,325
18	15,865	16,230	16,595	16,960	17,320	17,685
19	17,285	17,650	18,015	18,380	18,745	19,110
20	18,200	18,565	18,930	19,295	19,660	——— "

RURAL CARRIER SCHEDULE

SEC. 103. The Rural Carrier Schedule contained in subsection (a) of section 3543 of title 39 of the United States Code is amended to read as follows:

"RURAL CARRIER SCHEDULE

	"Per annum rates and steps					
	1	2	3	4	5	6
Carriers in rural delivery service:						
Fixed compensation per annum	$2,617	$2,698	$2,779	$2,860	$2,941	$3,022
Compensation per mile per annum for each mile up to 30 miles of route	86	88	90	92	94	96
For each mile of route over 30 miles	29	29	29	29	29	29
Temporary carriers in rural delivery service on routes to which no regular carrier is assigned:						
Fixed compensation per annum	2,617	———	———	———	———	———
Compensation per mile per annum for each mile up to 30 miles of route	86	———	———	———	———	———
For each mile of route over 30 miles	29	———	———	———	———	———
Temporary carriers in rural delivery service on routes having regular carriers absent without pay or on military leave	(1)	(1)	(1)	(1)	(1)	(1)
Substitute carriers in rural delivery service on routes having carriers absent with pay	(1)	(1)	(1)	(1)	(1)	(1)

"(1) Basic compensation authorized for the regular carrier."

FOURTH-CLASS OFFICE SCHEDULE

SEC. 104. The Fourth-Class Office Schedule contained in subsection (a) of section 3544 of title 39 of the United States Code is amended to read as follows:

"FOURTH-CLASS OFFICE SCHEDULE

"Gross Receipts	Per annum rates and steps					
	1	2	3	4	5	6
$1,300 to $1,499.99	$3,330	$3,430	$3,530	$3,630	$3,730	$3,830
$900 to $1,299.99	3,147	3,237	3,327	3,417	3,507	3,597
$600 to $899.99	2,577	2,652	2,727	2,802	2,877	2,952
$350 to $599.99	1,987	2,047	2,107	2,167	2,227	2,287
$250 to $349.99	1,405	1,450	1,495	1,540	1,585	1,630
$200 to $249.99	1,128	1,163	1,198	1,233	1,268	1,303
$100 to $199.99	853	878	903	928	953	978
Under $100	550	570	590	610	630	650"

AUTOMATIC ADVANCEMENT BY STEP INCREASES

SEC. 105. The provisions for automatic advancement by step increases contained in subsection (a) of section 3552 of title 39 of the United States Code is amended to read as follows:

"AUTOMATIC ADVANCEMENT BY STEP INCREASES

"(a) Except as to a substitute employee in the Postal Transportation Service whose position is allocated to salary level PFS-5 as a distribution clerk in a railway or highway post office, each employee whose position is allocated to the Rural Carrier Schedule, the Fourth Class Office Schedule, or the Postal Field Service Schedule, who has not reached the highest step for his position, shall be advanced succes-

sively to the next higher step for his position at the beginning of the first pay period following the completion of each twenty-six calendar weeks of satisfactory service in steps one and two, and shall be advanced successively to the next higher step for his position at the beginning of the first pay period following the completion of each fifty-two calendar weeks of satisfactory service in steps three and above. The benefit of successive step-increases shall be preserved, under regulations prescribed by the Postmaster General, for employees whose continuous service is interrupted by service in the Armed Forces."

CONVERSION

SEC. 106. Each employee under the Postal Field Service Schedule, the Rural Carrier Schedule, and the Fourth-Class Office Schedule shall be placed in pay steps under this Act as follows: All employees in present step 1 with less than six months of service shall be placed in the new step 1; employees in step 1 with more than six months of service shall be placed in new step 2; employees in present step 2 shall be placed in new step 3; employees in present step 3 shall be placed in new step 4; employees in present step 4 shall be placed in new step 5; and employees in present steps 5, 6, and 7 shall be placed in new step 6: *Provided*, That no employee shall lose his anniversary date for an automatic or longevity pay increase.

LONGEVITY STEP INCREASES

SEC. 107. Subsections (a) and (b) contained in section 3558 of title 39 of the United States Code are amended to read as follows:

"(a) There are established for each employee longevity steps A, B, and C. For each longevity step to which he is entitled—

"(1) each employee, other than a postmaster at a post office of the fourth class or a rural carrier, shall receive an amount equal to one step increase for his position,

"(2) each rural carrier shall receive an amount equal to one step increase for salary level PFS 4, and

"(3) each postmaster at a post office of the fourth class shall receive an amount equal to one step increase for salary level PFS 1 or to 6 per centum of his basic salary, whichever is the lesser.

In computing the percentage increase under this subsection the amount of the increase shall be rounded to the nearest dollar. A half dollar or one-half cent shall be rounded to the next highest dollar or cent, respectively.

"(b) Each employee shall be assigned to—

"(1) longevity step A at the beginning of the pay period following the completion of ten years of service; and

"(2) longevity step B at the beginning of the pay period following the completion of thirteen years of service; and

"(3) longevity step C at the beginning of the pay period following the completion of sixteen years of service."

EXEMPTIONS

SEC. 108. Subsection (b) of section 3575 of title 39 of the United States Code is amended by striking out in lines 1 and 2 the following words: "to substitute employees and".

AUTHORIZATION OF APPROPRIATIONS

SEC. 109. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

EFFECTIVE DATE

SEC. 110. The foregoing provisions of this Act shall become effective on the first day of the first pay period which begins on or after January 1, 1962.

That this Act may be cited as the "Federal Salary Reform Act of 1962".

TITLE I—POSTAL FIELD SERVICE EMPLOYEES

SHORT TITLE

SEC. 101. This title may be cited as the "Postal Employees Salary Adjustment Act of 1962".

POSTAL FIELD SERVICE SCHEDULES

SEC. 102. Section 3542(a) of title 39, United States Code, is amended to read as follows:

"(a) There are established basic compensation schedules for positions in the postal field service which shall be known as the Postal Field Service Schedules and for which the symbol shall be 'PFS'. Each such schedule shall be in effect for the period specified with respect to such schedule. Except as provided in sections 3543 and 3544 of this title, basic compensation shall be paid to all employees in accordance with these schedules.

"POSTAL FIELD SERVICE SCHEDULES

"(To be effective for the period beginning as of the first day of the first pay period beginning on or after July 1, 1962, and ending immediately prior to the applicable initial effective date of the second PFS Schedule set forth below)

"Level	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
1	$3,685	$3,815	$3,945	$4,075	$4,205	$4,335	$4,465	$4,595	$4,725	$4,855	$4,985	$5,115
2	3,985	4,120	4,255	4,390	4,525	4,660	4,795	4,930	5,065	5,200	5,335	5,470
3	4,315	4,460	4,605	4,750	4,895	5,040	5,185	5,330	5,475	5,620	5,765	5,910
4	4,675	4,835	4,995	5,155	5,315	5,475	5,635	5,795	5,955	6,115	6,275	6,435
5	5,055	5,220	5,385	5,550	5,715	5,880	6,045	6,210	6,375	6,540	6,705	6,870
6	5,480	5,655	5,830	6,005	6,180	6,355	6,530	6,705	6,880	7,055	7,230	7,405
7	5,800	5,990	6,180	6,370	6,560	6,750	6,940	7,130	7,320	7,510	7,700	----
8	6,215	6,420	6,625	6,830	7,035	7,240	7,445	7,650	7,855	8,060	----	----
9	6,715	6,940	7,165	7,390	7,615	7,840	8,065	8,290	8,515	8,740	----	----
10	7,260	7,500	7,740	7,980	8,220	8,460	8,700	8,940	9,180	9,420	----	----
11	7,960	8,225	8,490	8,755	9,020	9,285	9,550	9,815	10,080	10,345	----	----
12	8,735	9,025	9,315	9,605	9,895	10,185	10,475	10,765	11,055	11,345	----	----
13	9,575	9,895	10,215	10,535	10,855	11,175	11,495	11,815	12,135	12,455	----	----
14	10,510	10,860	11,210	11,560	11,910	12,260	12,610	12,960	13,310	13,660	----	----
15	11,525	11,910	12,295	12,680	13,065	13,450	13,835	14,220	14,605	14,990	----	----
16	12,650	13,070	13,490	13,910	14,330	14,750	15,170	15,590	16,010	16,430	----	----
17	13,880	14,340	14,800	15,260	15,720	16,180	16,640	17,100	17,560	18,020	----	----
18	15,225	15,730	16,235	16,740	17,245	17,750	18,255	18,760	19,265	19,770	----	----
19	16,700	17,255	17,810	18,365	18,920	19,475	20,030	----	----	----	----	----
20	18,350	18,960	19,570	20,180	----	----	----	----	----	----	----	----

"(To be effective on the first day of the first pay period beginning on or after July 1, 1963, and thereafter)

"Level	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
1	$3,800	$3,935	$4,070	$4,205	$4,340	$4,475	$4,610	$4,745	$4,880	$5,015	$5,150	$5,285
2	4,100	4,240	4,380	4,520	4,660	4,800	4,940	5,080	5,220	5,360	5,500	5,640
3	4,450	4,600	4,750	4,900	5,050	5,200	5,350	5,500	5,650	5,800	5,950	6,100
4	4,800	4,965	5,130	5,295	5,460	5,625	5,790	5,955	6,120	6,285	6,450	6,615
5	5,255	5,425	5,595	5,765	5,935	6,105	6,275	6,445	6,615	6,785	6,955	7,125
6	5,685	5,870	6,055	6,240	6,425	6,610	6,795	6,980	7,165	7,350	7,535	7,720
7	5,950	6,150	6,350	6,550	6,750	6,950	7,150	7,350	7,550	7,750	7,950	----
8	6,440	6,655	6,870	7,085	7,300	7,515	7,730	7,945	8,160	8,375	----	----
9	6,965	7,200	7,435	7,670	7,905	8,140	8,375	8,610	8,845	9,080	----	----
10	7,725	7,985	8,245	8,505	8,765	9,025	9,285	9,545	9,805	10,065	----	----
11	8,580	8,865	9,150	9,435	9,720	10,005	10,290	10,575	10,860	11,145	----	----
12	9,520	9,835	10,150	10,465	10,780	11,095	11,410	11,725	12,040	12,355	----	----
13	10,555	10,905	11,255	11,605	11,955	12,305	12,655	13,005	13,355	13,705	----	----
14	11,700	12,090	12,480	12,870	13,260	13,650	14,040	14,430	14,820	15,210	----	----
15	12,980	13,410	13,840	14,270	14,700	15,130	15,560	15,990	16,420	16,850	----	----
16	14,400	14,875	15,350	15,825	16,300	16,775	17,250	17,725	18,200	18,675	----	----
17	15,960	16,490	17,020	17,550	18,080	18,610	19,140	19,670	20,200	20,730	----	----
18	17,690	18,280	18,870	19,460	20,050	20,640	21,230	21,820	22,410	23,000	----	----
19	19,615	20,270	20,925	21,580	22,235	22,890	23,545	----	----	----	----	----
20	21,755	22,480	23,205	23,930	----	----	----	----	----	----	----	----

"

RURAL CARRIER SCHEDULES

SEC. 103. (a) Section 3543(a) of title 39, United States Code, is amended to read as follows:

"(a) There are established basic compensation schedules which shall be known as the Rural Carrier Schedules, and for which the symbol shall be 'RCS'. Each such schedule shall be in effect for the period specified with respect to such schedule.

"RURAL CARRIER SCHEDULES

"(To be effective for the period beginning as of the first day of the first pay period beginning on or after July 1, 1962, and ending immediately prior to the applicable initial effective date of the second RCS Schedule set forth below)

	"Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
Carriers in rural delivery service:												
Fixed compensation per annum	$2,845	$2,885	$2,925	$2,965	$3,005	$3,045	$3,085	$3,125	$3,165	$3,205	$3,245	$3,285
Compensation per mile per annum for each mile up to 30 miles of route	51	55	59	63	67	71	75	79	83	87	91	95
For each mile of route over 30 miles	25	25	25	25	25	25	25	25	25	25	25	25
Temporary carriers in rural delivery service on routes to which no regular carrier is assigned:												
Fixed compensation per annum	2,845	------	------	------	------	------	------	------	------	------	------	------
Compensation per mile per annum for each mile up to 30 miles of route	51	------	------	------	------	------	------	------	------	------	------	------
For each mile of route over 30 miles	25	------	------	------	------	------	------	------	------	------	------	------
Temporary carriers in rural delivery service on routes having regular carriers absent without pay or on military leave	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Substitute carriers in rural delivery service on routes having carriers absent with pay	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)

[1] Basic compensation authorized for the regular carrier.

"(To be effective on the first day of the first pay period beginning on or after July 1, 1963, and thereafter)

	"Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
Carriers in rural delivery service:												
Fixed compensation per annum	$2,898	$2,943	$2,988	$3,033	$3,078	$3,123	$3,168	$3,213	$3,258	$3,303	$3,348	$3,393
Compensation per mile per annum for each mile up to 30 miles of route	53	57	61	65	69	73	77	81	85	89	93	97
For each mile of route over 30 miles	26	26	26	26	26	26	26	26	26	26	26	26
Temporary carriers in rural delivery service on routes to which no regular carrier is assigned:												
Fixed compensation per annum	2,898	------	------	------	------	------	------	------	------	------	------	------
Compensation per mile per annum for each mile up to 30 miles of route	53	------	------	------	------	------	------	------	------	------	------	------
For each mile of route over 30 miles	26	------	------	------	------	------	------	------	------	------	------	------
Temporary carriers in rural delivery service on routes having regular carriers absent without pay or on military leave	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Substitute carriers in rural delivery service on routes having carriers absent with pay	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)

[1] Basic compensation authorized for the regular carrier."

(b) Section 3543(f) of title 39, United States Code, is amended to read as follows:

"(f) In addition to the compensation provided in this section, each rural carrier shall be paid an allowance for equipment maintenance determined as follows:

"(1) For routes having less than two hundred and sixty stops, as determined by the Postmaster General, the allowance shall be $4 per day, or 10 cents a mile, whichever is the greater; and

"(2) For other routes, the allowance shall be the greater of—

"(A) 10 cents a mile for each mile or major fraction of a mile scheduled, or

"(B) The sum of the following:

"(i) $4 a day,

"(ii) 5 cents for each unit of twenty stops in excess of two hundred and sixty a day, as determined by the Postmaster General, and

"(iii) 5 cents a mile for each mile or major fraction of a mile scheduled over twenty-two miles.".

(c) Section 3543(c) of title 39, United States Code, is amended to read as follows:

"(c) The Postmaster General may pay such additional compensation as he may determine to be fair and reasonable in each individual case to rural carriers serving heavily patronized routes not exceeding one hundred and one miles in length, such additional compensation to be authorized on the basis of maximum allowable time required to serve such route as determined by evaluation under the Office and Route Time Standards prescribed by the Postmaster General.".

FOURTH CLASS OFFICE SCHEDULES

SEC. 104. (a) Section 3544(a) of title 39, United States Code, is amended to read as follows:

"(a) There are established basic compensation schedules which shall be known as the Fourth Class Office Schedules, and for which the symbol shall be 'FOS', for postmasters in post offices of the fourth class. Each such schedule shall be in effect for the period specified with respect to such schedule. Each such schedule is based upon the gross postal receipts as contained in returns of the post office for the calendar year immediately preceding. Basic compensation shall be paid to postmasters in post offices of the fourth class in accordance with these schedules.

"FOURTH CLASS OFFICE SCHEDULES

"(To be effective for the period beginning as of the first day of the first pay period beginning on or after July 1, 1962, and ending immediately prior to the applicable initial effective date of the second FOS Schedule set forth below)

"Gross receipts	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
$1,300 to 1,499.99	$3,627	$3,744	$3,861	$3,978	$4,095	$4,212	$4,329	$4,446	$4,563	$4,680	$4,797	$4,914
$900 to $1,299.99	3,224	3,328	3,432	3,536	3,640	3,744	3,848	3,952	4,056	4,160	4,264	4,368
$600 to $899.99	2,821	2,912	3,003	3,094	3,185	3,276	3,367	3,458	3,549	3,640	3,731	3,822
$350 to $599.99	2,418	2,496	2,574	2,652	2,730	2,808	2,886	2,964	3,042	3,120	3,198	3,276
$250 to $349.99	2,015	2,080	2,145	2,210	2,275	2,340	2,405	2,470	2,535	2,600	2,665	2,730
$200 to $249.99	1,612	1,664	1,716	1,768	1,820	1,872	1,924	1,976	2,028	2,080	2,132	2,184
$100 to $199.99	1,209	1,248	1,287	1,326	1,365	1,404	1,443	1,482	1,521	1,560	1,599	1,638
Under $100	806	832	858	884	910	936	962	988	1,014	1,040	1,066	1,092

"(To be effective on the first day of the first pay period beginning on or after July 1, 1963, and thereafter)

"Gross receipts	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
$1,300 to $1,499.99	$3,776	$3,898	$4,020	$4,142	$4,264	$4,386	$4,508	$4,630	$4,752	$4,874	$4,996	$5,118
$900 to $1,299.99	3,356	3,464	3,572	3,680	3,788	3,896	4,004	4,112	4,220	4,328	4,436	4,544
$600 to $899.99	2,937	3,032	3,127	3,222	3,317	3,412	3,507	3,602	3,697	3,792	3,887	3,982
$350 to $599.99	2,517	2,598	2,679	2,760	2,841	2,922	3,003	3,084	3,165	3,246	3,327	3,408
$250 to $349.99	2,098	2,166	2,234	2,302	2,370	2,438	2,506	2,574	2,642	2,710	2,778	2,846
$200 to $249.99	1,678	1,732	1,786	1,840	1,894	1,948	2,002	2,056	2,110	2,164	2,218	2,272
$100 to $199.99	1,258	1,298	1,338	1,378	1,418	1,458	1,498	1,538	1,578	1,618	1,658	1,698
Under $100	839	866	893	920	947	974	1,001	1,028	1,055	1,082	1,109	1,136"

(b) Section 3544(b) of title 39, United States Code, is amended to read as follows:

"(b) The basic salary of postmasters in fourth class post offices shall be readjusted for changes in gross receipts at the start of the first pay period after the beginning of each fiscal year. When a post office is restored to a gross receipts category held by it prior to relegation to a lower gross receipts category, the postmaster's basic salary shall be adjusted to the highest salary step held by him when the post office was in the higher gross receipts category. In all other cases, in adjusting a postmaster's basic salary under this section, the basic salary shall be fixed at the lowest step which is higher than the basic salary received by the postmaster at the end of the preceding fiscal year. If there is no such step, the

basic salary shall be fixed at the highest step for the adjusted gross receipts of the office. Each increase in basic salary because of change in gross receipts shall be deemed the equivalent of a step-increase under section 3552 of this title and the waiting period, for purposes of advancement to the next step, shall begin on the date of adjustment.".

AUTOMATIC ADVANCEMENT BY STEP INCREASES

SEC. 105. Section 3552 of title 39, United States Code, is amended to read as follows:

"*§ 3552. Automatic advancement by step increases.*

"(a) Each employee in the postal field service, who has not reached the highest step for his position, shall be advanced successively to the next higher step, as follows:

"(1) To steps 2, 3, 4, 5, 6, and 7—at the beginning of the first pay period following the completion of fifty-two calendar weeks of satisfactory service; and

"(2) To steps 8 and above—at the beginning of the first pay period following the completion of one hundred and fifty-six calendar weeks of satisfactory service.

The receipt of an equivalent increase during any of the waiting periods specified in paragraph (1) or (2) of this subsection shall cause a new full waiting period to commence for further step-increases.

"(b) Any increase in basic compensation granted by law to employees in the postal field service shall not be deemed

to be an equivalent increase in basic compensation within the meaning of subsection (a) of this section.

"(c) The benefit of successive step-increases shall be preserved, under regulations prescribed by the Postmaster General, for employees whose continuous service is interrupted by service in the armed services.".

PROMOTIONS

SEC. 106. Section 3559 of title 39, United States Code, is amended to read as follows:

"§ 3559. Promotions.

"An employee who is promoted to a position in the Postal Field Service Schedule which is not more than two salary levels above the salary level of the position from which promoted shall be paid basic compensation at the lowest step of the higher salary level which exceeds his existing basic compensation by not less than two steps of the salary level from which promoted. An employee who is promoted to a position in the Postal Field Service Schedule which is more than two salary levels above the level of the position from which promoted shall be paid basic compensation at the lowest step of the higher salary level which exceeds his existing basic compensation by not less than three steps of the salary level from which promoted. If there is no step in the salary level to which the employee is promoted which exceeds his existing basic compensation by at least the amount of the specified

difference, the employee shall be paid the maximum step of the salary level to which promoted, or his existing basic compensation, whichever is higher.".

CHANGES IN POSTAL DEFINITIONS

SEC. 107. Section 3101 of title 39, United States Code, is amended by deleting paragraphs (5) and (6), and inserting in lieu thereof, the following:

"(5) 'basic salary' and 'basic compensation' mean the rate of annual or hourly compensation specified by law, exclusive of overtime and night differential.".

CONVERSION AS OF THE FIRST PAY PERIOD BEGINNING ON OR AFTER JULY 1, 1962

SEC. 108. (a) The basic compensation of each employee subject to the Postal Field Service Schedule or the Rural Carrier Schedule, as the case may be, on the effective date of such schedule shall be determined as follows:

(1) Each employee shall be assigned to the same numerical level and step he was in prior to the effective date of such schedule. If changes in level or step would otherwise occur on the effective date of such schedule without regard to the enactment of such schedule, such changes shall be deemed to have occurred prior to conversion under this paragraph, except that employees in the first four levels of the Postal Field Service Schedule and employees in the Rural Carrier Schedule shall be ad-

vanced as follows: Employees in step 1 to step 2 of the new schedule; step 2 to step 3; step 3 to step 4; step 4 to step 5; step 5 to step 6; step 6 to step 7; and step 7 to step 8.

(2) In addition to conversion under paragraph (1) of this subsection, each employee shall be advanced one additional step for each longevity step which he had earned on or prior to such conversion.

(3) Credit toward the next step-increase (other than toward longevity steps) earned by an employee who had not reached step 7 or who is not advanced to step 7 under paragraph (1), prior to the effective date of such schedule shall be creditable under subsection 3552(a) and section 3553 of title 39, United States Code, toward further step-increases if no step-increases were granted pursuant to paragraph (2) of this subsection. Credit earned toward longevity step-increases prior to the effective date of such schedule shall not be creditable toward further step-increases pursuant to subsection 3552(a) and section 3553 of title 39, United States Code.

(b) The basic compensation of each postmaster subject to the Fourth Class Office Schedule on the effective date of such schedule shall be determined as follows:

(1) Each postmaster shall be assigned to the same receipts category and numerical step he was in prior to

the effective date of such schedule. If changes in receipts category or step would otherwise occur on the effective date of such schedule without regard to the enactment of such schedule, such changes in receipts category or step shall be deemed to have occurred prior to conversion.

(2) Postmasters who, as of the effective date of this schedule, have not reached step 7, shall retain credit for advancement to the next step under section 3552(a) and section 3553 of title 39, United States Code, if no step-increases are granted pursuant to paragraph (3) of this subsection. Credit earned toward longevity step-increases prior to the effective date of such schedule shall not be creditable toward further step-increases under section 3552(a) and section 3553 of title 39, United States Code.

(3) For each longevity step earned on or prior to the effective date of such schedule postmasters shall be advanced one step.

(c) If the existing basic compensation of any employee subject to the Postal Field Service Schedule, Rural Carrier Schedule, or Fourth Class Office Schedule, as the case may be, is greater than the rate established by subsection (a) or (b) of this section, he shall be placed in the first step of such schedule which exceeds his existing basic compensation; if the

existing basic compensation is greater than any numerical step, his existing basic compensation shall be established as his basic compensation.

CONVERSION AS OF THE FIRST PAY PERIOD BEGINNING ON OR AFTER JULY 1, 1963

SEC. 109. The basic compensation of each employee subject to the Postal Field Service Schedule, Rural Carrier Schedule, or Fourth Class Office Schedule, as the case may be, on the effective date of such schedule shall be determined as follows:

(1) Each employee shall be assigned to the same numerical step for his position which he had attained prior to the effective date of such schedule. If changes in levels, receipts categories, or steps would otherwise occur on the effective date of such schedule without regard to enactment of such schedule, such changes shall be deemed to have occurred prior to conversion.

(2) If existing basic compensation is greater than the rate to which the employee is converted under paragraph (1) of this section, the employee shall be placed in the lowest step which exceeds his basic compensation; if the existing basic compensation exceeds the maximum step of his position, his existing basic compensation shall be established as his basic compensation.

SEC. 110. Subject to sections 108(c) and 109(2) of this

title, rates of compensation fixed by reason of section 3560 of title 39, United States Code, shall not be increased by this title, notwithstanding any provision of such section to the contrary.

BASIC SALARY IN CASES OF ASSIGNMENTS OF POSTAL EMPLOYEES

SEC. 111. (a) Section 3335(b) of title 39, United States Code, is amended by adding at the end thereof the following sentence: "The Postmaster General may pay, as he deems advisable, in cases of such assignments, a basic salary computed in accordance with the provisions of such section 3559 without regard to the requirement in this subsection of assignment for more than thirty days in a calendar year.".

(b) Each payment of an increase in basic salary which was made prior to the date of enactment of this section for services performed for periods of thirty days or less in any calendar year in the course of an assignment referred to in section 3335(b) of title 39, United States Code, by a postal field service employee assigned to duties and responsibilities of a higher salary level, and which would have been authorized by such section 3335(b), if such services had been performed in the course of such assignment after the completion by such employee of thirty days of service in any calendar year in such higher salary level, are hereby validated to the same extent as if such services had been performed after

the completion of thirty days of service in any calendar year in the course of such assignment.

(c) The amendment made by subsection (a) of this section shall become effective as of February 17, 1962.

(d) Payments of increases in basic salary shall be made in accordance with section 3335(b) of title 39, United States Code, as amended by subsection (a) of this section, for services rendered, in the course of an assignment referred to in such section 3335(b), in the period beginning on February 17, 1962, and ending on the date of enactment of this section, with respect to each individual who, on such date of enactment, is on any employment roll of the Federal Government or of the municipal government of the District of Columbia, as follows—

(1) to such individual for such services so rendered by him, if, on such date of enactment, he (A) is on any such employment roll, (B) is in the service of the Armed Forces of the United States, or (C) is retired under any retirement law or retirement system for civilian officers or employees in or under the Federal Government or the municipal government of the District of Columbia; or

(2) to the survivor or survivors, in accordance with the Act of August 3, 1950 (Public Law 636, Eighty-first Congress), as amended (5 U.S.C. 61f-61k), of any

such individual (for such services so rendered by him) who has died prior to such date of enactment if, at the time of his death, such individual was (A) on any such employment roll, (B) in the service of the Armed Forces of the United States, or (C) retired under any such retirement law or retirement system.

(e)(1) Payments of increases described in subsection (d) of this section shall not be considered as basic salary for the purposes of the Civil Service Retirement Act (5 U.S.C. 2251–2267) in the case of any retired or deceased individual described in subparagraph (1) or (2) of such subsection (d).

(2) Payments of increases validated by subsection (b) of this section shall be considered as basic salary for purposes of such section.

(f) For the purposes of this section, service in the Armed Forces of the United States, in the case of an individual relieved from training and service in the Armed Forces of the United States or discharged from hospitalization following such training and service, shall include the period provided by law for the mandatory restoration of such individual to a position in or under the Federal Government or the municipal government of the District of Columbia.

(g) Increases in basic salary authorized to be paid by

subsection (d) of this section shall not be held or considered to be annual compensation for the purposes of the Federal Employees' Group Life Insurance Act of 1954, as amended (5 U.S.C. 2091-2103).

SALARY PROTECTION REVISION

SEC. 112. (a) Section 3560(a)(1) of title 39, United States Code, is amended to read as follows:

"(1) basic salary and salary level, with respect to the Postal Field Service Schedule,"

(b) Section 3560(b)(4) of title 39, United States Code, is amended to read as follows:

"(4) who, for two continuous years immediately prior to such reduction in salary standing, served in the postal field service with any salary standing higher than the salary standing to which he is reduced; and".

(c) Section 3560(c) of title 39, United States Code, is amended—

(1) by striking out the period at the end of paragraph (B) and inserting "; or" in lieu of such period, and

(2) by adding at the end of such section 3560(c) the following paragraph:

"(C) the amount of the rate in the lowest salary standing which such employee held during the two years immediately preceding such reduction in salary standing

augmented by each step increase which he would have earned in such salary standing and by each increase provided by law in such salary rate.".

(d)(1) Subject to paragraph (2) of this section, the amendments made by this section to sections 3560(a)(1), 3560(b)(4), and 3560(c) of title 39, United States Code, shall apply only with respect to reductions in salary standing occurring on or after the date of enactment of this Act.

(2) Payments not authorized by section 3560 of title 39, United States Code, which were made prior to the date of enactment of this Act to employees in the postal field service in connection with reductions in salary standing and which would have been authorized under such section 3560 if the amendments made by this section to subsections (b)(4) and (c) of such section 3560 had been in effect at the time such payments were made, are hereby validated to the same extent as if such amendments had been in effect at such time.

RULES FOR SPECIAL COMPENSATION

SEC. 113. Chapter 41 of title 39, United States Code, is amended by adding immediately following section 3105 a new section 3106, as follows:

"§ 3106. Special compensation rules.

"In order that the basic compensation schedules in sections 3542, 3543, and 3544 of this title may be used equitably and with maximum effect to attract and motivate em-

ployees, the Postmaster General may prescribe regulations pursuant to which he may:

"(a) Within the limit of available appropriations, grant to any officer or employee before the expiration of the periods prescribed by section 3552, step-increases in recognition of extra competence: Provided, That no officer or employee shall be eligible under this section for more than one such additional step-increase within any period of fifty-two weeks, and such increase shall not be considered to be an equivalent increase.

"(b) Appoint any officer or employee at a salary rate above the minimum step of the level when the appointee has extra qualifications for the position or the minimum rate would be less than the current salary of a well-qualified appointee.".

CONFORMING AMENDMENTS

SEC. 114. (a) The table of contents of chapter 41 of title 39, United States Code, is amended by adding

"3106. Special compensation rules."

immediately following

"3105. Detail of employees between field and department.".

(b) The table of contents of chapter 45 of title 39, United States Code, is amended by deleting

"3558. Longevity step increases."

REPEALS

SEC. 115. Sections 101 through 105 of the Act of July 1, 1960 (74 Stat. 296; Public Law 86–568), and section 3558 of title 39, United States Code, are repealed.

EXEMPTIONS

SEC. 116. Section 3575(b) of title 39, United States Code, is amended by striking out "to substitute employees and".

EFFECTIVE DATES

SEC. 117. Except as otherwise expressly provided in this title, the provisions of this title shall become effective as follows:

(1) This section and sections 112 (salary protection revision), 113 (special compensation rules), 114 (conforming amendment), and 116 (exemptions) shall become effective on the date of enactment of this Act.

(2) Sections 101 (short title), 102 (Postal Field Service Schedules), 103(a) (Rural Carrier Schedules), 104 (Fourth Class Office Schedules), 105 (step-increases), 106 (promotions), 107 (definition changes), 108 (conversion rules for July 1, 1962, postal field service salary increases), 110 (relationship of salary retention to salary increases), and 115 (repeals) shall

become effective as of the first day of the first pay period which began on or after July 1, 1962.

(3) Section 103 (b) and (c) (equipment maintenance allowances and other compensation for rural carriers) shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act or on or after October 1, 1962, whichever is the later date.

(4) Section 109 (conversion rules for July 1, 1963, postal field service salary increases) shall become effective on the first day of the first pay period which begins on or after July 1, 1963.

(5) Section 111 (basic salary in cases of assignments of postal field service employees) shall become effective as of February 17, 1962.

TITLE II—PAY SYSTEM OF THE CLASSIFICATION ACT OF 1949

SHORT TITLE

SEC. 201. This title may be cited as the "Classification Act Amendments of 1962".

BASIC COMPENSATION SCHEDULES

SEC. 202. (a) Section 603(b) of the Classification Act of 1949, as amended (74 Stat. 298; 5 U.S.C. 1113(b)), is amended to read as follows:

"(b) The compensation schedules for the General Schedule shall be as follows:

"COMPENSATION SCHEDULE I

"(To be effective for the period beginning as of the first day of the first pay period beginning on or after July 1, 1962, and ending immediately prior to the applicable initial effective date of Compensation Schedule II set forth below)

"Grade	Per annum rates and steps									
	1	2	3	4	5	6	7	8	9	10
GS-1	$3,365	$3,475	$3,585	$3,695	$3,805	$3,915	$4,025	$4,135	$4,245	$4,355
GS-2	3,700	3,810	3,920	4,030	4,140	4,250	4,360	4,470	4,580	4,690
GS-3	3,975	4,085	4,195	4,305	4,415	4,525	4,635	4,745	4,855	4,965
GS-4	4,280	4,390	4,500	4,610	4,720	4,830	4,940	5,050	5,160	5,270
GS-5	4,695	4,855	5,015	5,175	5,335	5,495	5,655	5,815	5,975	6,135
GS-6	5,035	5,205	5,375	5,545	5,715	5,885	6,055	6,225	6,395	6,565
GS-7	5,540	5,725	5,910	6,095	6,280	6,465	6,650	6,835	7,020	7,205
GS-8	6,090	6,295	6,500	6,705	6,910	7,115	7,320	7,525	7,730	7,935
GS-9	6,675	6,900	7,125	7,350	7,575	7,800	8,025	8,250	8,475	8,700
GS-10	7,290	7,535	7,780	8,025	8,270	8,515	8,760	9,005	9,250	9,495
GS-11	7,960	8,225	8,490	8,755	9,020	9,285	9,550	9,815	10,080	10,345
GS-12	9,380	9,695	10,010	10,325	10,640	10,955	11,270	11,585	11,900	12,215
GS-13	10,965	11,330	11,695	12,060	12,425	12,790	13,155	13,520	13,885	14,250
GS-14	12,665	13,090	13,515	13,940	14,365	14,790	15,215	15,640	16,065	16,490
GS-15	14,495	14,975	15,455	15,935	16,415	16,895	17,375	17,855	18,335	18,815
GS-16	16,400	16,945	17,490	18,035	18,580	19,125	19,670	---	---	---
GS-17	18,360	18,960	19,570	20,180	---	---	---	---	---	---
GS-18	20,315	---	---	---	---	---	---	---	---	---

"COMPENSATION SCHEDULE II

"(To be effective on the first day of the first pay period beginning on or after July 1, 1963, and thereafter)

"Grade	Per annum rates and steps									
	1	2	3	4	5	6	7	8	9	10
GS-1	$3,435	$3,545	$3,655	$3,765	$3,875	$3,985	$4,095	$4,205	$4,315	$4,425
GS-2	3,775	3,885	3,995	4,105	4,215	4,325	4,435	4,545	4,655	4,765
GS-3	4,055	4,165	4,275	4,385	4,495	4,605	4,715	4,825	4,935	5,045
GS-4	4,355	4,465	4,575	4,685	4,795	4,905	5,015	5,125	5,235	5,345
GS-5	4,750	4,915	5,080	5,245	5,410	5,575	5,740	5,905	6,070	6,235
GS-6	5,235	5,410	5,585	5,760	5,935	6,110	6,285	6,460	6,635	6,810
GS-7	5,795	5,990	6,185	6,380	6,575	6,770	6,965	7,160	7,355	7,550
GS-8	6,420	6,635	6,850	7,065	7,280	7,495	7,710	7,925	8,140	8,355
GS-9	7,095	7,330	7,565	7,800	8,035	8,270	8,505	8,740	8,975	9,210
GS-10	7,800	8,060	8,320	8,580	8,840	9,100	9,360	9,620	9,880	10,140
GS-11	8,580	8,865	9,150	9,435	9,720	10,005	10,290	10,575	10,860	11,145
GS-12	10,270	10,615	10,960	11,305	11,650	11,995	12,340	12,685	13,030	13,375
GS-13	12,190	12,595	13,000	13,405	13,810	14,215	14,620	15,025	15,430	15,835
GS-14	14,310	14,785	15,260	15,735	16,210	16,685	17,160	17,635	18,110	18,585
GS-15	16,620	17,175	17,730	18,285	18,840	19,395	19,950	20,505	21,060	21,615
GS-16	19,125	19,760	20,395	21,030	21,665	22,300	22,935	---	---	---
GS-17	21,755	22,480	23,205	23,930	---	---	---	---	---	---
GS-18	24,500	---	---	---	---	---	---	---	---	---

"

(b) The rates of basic compensation of officers and employees to whom Compensation Schedule I of the General Schedule set forth in subsection (a) of this section applies shall, subject to the provisions of paragraph (9) of this subsection, be initially adjusted, effective as of the first day of the

first pay period beginning on or after July 1, 1962, as follows:

(1) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which began on or after July 1, 1962, at the first, second, third, fourth, fifth, sixth, or seventh scheduled rate, or at the first, second, or third longevity rate of a grade below grade 11 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, fifth, sixth, seventh, eighth, ninth, or tenth rate of the appropriate grade in effect on and after such date.

(2) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which began on or after July 1, 1962, at the first, second, third, fourth, fifth, or sixth scheduled rate, or at the first, second, or third longevity rate of grade 11, 12, 13, or 14 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, fifth, sixth, seventh, eighth, or ninth rate of the appropriate grade in effect on and after such date.

(3) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which began on or after July 1, 1962, at the first, second,

third, fourth, or fifth scheduled rate, or at the first, second, or third longevity rate of grade 15 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, fifth, sixth, seventh, or eighth rate of such grade in effect on and after such date.

(4) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which began on or after July 1, 1962, at the first, second, third, fourth, or fifth rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, or fifth rate of such grade in effect on and after such date.

(5) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which began on or after July 1, 1962, at the first, second, third, or fourth rate of grade 17 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the first, second, third, or fourth rate of such grade in effect on and after such date. If such officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which began on or after July 1, 1962, at the fifth rate of grade 17 of the General Schedule of the Classification Act

of 1949, as amended, he shall receive a rate of basic compensation at the fourth rate of such grade in effect on and after such date.

(6) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which began on or after July 1, 1962, at the rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding rate of such grade in effect on and after such date.

(7) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which began on or after July 1, 1962, at a rate between two scheduled or two longevity rates, or between a scheduled and a longevity rate, of a grade of the General Schedule. he shall receive a rate of basic compensation at the higher of the two corresponding rates, as specified in paragraphs (1) through (5) of this subsection, in effect on and after such date.

(8) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which began on or after July 1, 1962, at a rate in excess of the maximum longevity rate for his grade, or in excess of the maximum scheduled rate for his grade if there is no longevity rate for his grade, he shall receive (A) the rate of the new schedule, in effect on and after such date, prescribed by para-

graphs (1) through (5) of this subsection for employees at the maximum longevity rate or at the maximum scheduled rate, as the case may be, for his grade, or (B) if such rate is less than his existing rate, (i) the lowest rate of the new schedule for his grade which equals or exceeds his existing rate, or (ii) if there is no such rate, his existing rate.

(9) Service of officers and employees performed immediately preceding the first day of the first pay period which began on or after July 1, 1962, in the grade of the General Schedule in which their respective positions were placed on such date, shall be counted toward not to exceed one step increase under the time in grade provisions of subsection (a) of section 701 of the Classification Act of 1949 as amended by this Act.

(10) If the officer or employee, immediately prior to the first day of the first pay period which began on or after July 1, 1962, is receiving, pursuant to paragraph (4) of section 2(b) of the Federal Employees Salary Increase Act of 1955, an existing aggregate rate of compensation determined under section 208(b) of the Act of September 1, 1954 (68 Stat. 1111; Public Law 763, Eighty-third Congress), plus the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, by section 2 of the Federal Employees Salary Increase Act of 1958, and by section 112 of the

Federal Employees Salary Increase Act of 1960, he shall receive an aggregate rate of compensation equal to the sum of (A) his existing aggregate rate of compensation determined under such section 208(b) of the Act of September 1, 1954, (B) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, (C) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1958, (D) the amount of the increase provided by section 112 of the Federal Employees Salary Increase Act of 1960, and (E) the amount of the increase made by this section in the maximum rate of his grade, until (i) he leaves his position, or (ii) he is entitled to receive aggregate compensation at a higher rate by reason of the operation of this Act or any other provision of law; but, when such position becomes vacant, the aggregate rate of compensation of any subsequent appointee thereto shall be fixed in accordance with applicable provisions of law. Subject to clauses (i) and (ii) of the immediately preceding sentence of this paragraph, the amount of the increase provided by this section shall be held and considered for the purpose of section 208(b) of such Act of September 1, 1954, to constitute a part of the existing rate of compensation of such employee.

(11) If the officer or employee, at any time during the period beginning on the first day of the first pay period which

began on or after July 1, 1962, and ending on the date of enactment of this Act, became subject to the Classification Act of 1949, as amended, his rate of basic compensation shall be adjusted retroactively to the date on which he became subject to such Act, on the basis of the rate for that step of the appropriate grade of the General Schedule contained in this section which corresponds numerically to the step of the grade of the General Schedule for such officer or employee which was in effect (without regard to this Act) at the time he became subject to the Classification Act of 1949 as in effect immediately prior to the first day of such first pay period.

(12) If the officer or employee on the rolls has had his rate of basic compensation established, under authority of section 803 of the Classification Act of 1949, as amended (68 Stat. 1106; 5 U.S.C. 1133), at any time during the period beginning on September 1, 1954, and ending on the date of enactment of this Act, his rate of basic compensation shall be adjusted retroactively in accordance with one or more of the following provisions of this paragraph (12), as applicable—

(A) if his rate of basic compensation was established under authority of such section 803 after September 1, 1954, and prior to the first day of the first pay period which began on or after July 1, 1962, such rate shall

be adjusted retroactively, for the period of time served by him in a pay status under the Classification Act of 1949 in the position concerned on and after such first day of such first pay period and prior to the date of enactment of this Act, on the basis of the rate for that step of the appropriate grade of the General Schedule contained in this section which corresponds numerically to the step of the grade of the General Schedule which was in effect for such officer or employee, without regard to this Act, as a result of such adjustment under such section 803; and

(B) if his rate of basic compensation was established under authority of such section 803 on or after such first day of such first pay period and prior to the date of enactment of this Act, such rate shall be adjusted retroactively for the period of time served by him in a pay status under the Classification Act of 1949 in the position concerned on and after such first day of such first pay period and prior to such date of enactment, as follows—

(i) for the period of time prior to the effective date of the establishment of his rate of basic compensation under such section 803, on the basis of the rate of basic compensation which he was receiving during such period, and

(ii) for the period of time on and after the effective date of the establishment of his rate of basic compensation under such section 803, on the basis of the rate for that step of the appropriate grade of the General Schedule contained in this section which corresponds numerically to the step of the grade of the General Schedule which was in effect for such officer or employee, without regard to this Act, as a result of such adjustment under such section 803,

and such basic compensation adjusted under subparagraphs (A) and (B)(ii) of this paragraph (12) shall be paid in accordance with such subparagraphs until—

(a) he leaves such position, or

(b) he is entitled to receive basic compensation at a higher rate by reason of the operation of any provision of the Classification Act of 1949, as amended.

(13) If the officer or employee became subject to the Classification Act of 1949, as amended, at any time during the period beginning on September 1, 1954, and ending on the date of enactment of this Act, at a rate of basic compensation which was established under authority of section 803 of the Classification Act of 1949, as amended (68 Stat. 1106; 5 U.S.C. 1133), his rate of basic compensation shall be

adjusted retroactively, for the period of time served by him in a pay status under the Classification Act of 1949 in the position concerned on and after the first day of the first pay period which began on or after July 1, 1962, and prior to the date of enactment of this Act, on the basis of the rate for that step of the appropriate grade of the General Schedule contained in this section which corresponds numerically to the step of the grade of the General Schedule which was in effect for such officer or employee, without regard to this Act, as a result of such adjustment under such section 803, and such basic compensation shall be paid in accordance with this paragraph (13) until—

(A) he leaves his position, or

(B) he is entitled to receive basic compensation at a higher rate by reason of the operation of any provision of the Classification Act of 1949, as amended.

(14) If the officer or employee, at any time during the period beginning on the first day of the first pay period which began on or after July 1, 1962, and ending on the date of enactment of this Act, became subject to the Classification Act of 1949, as amended, at a rate of basic compensation which was fixed on the basis of a higher previously earned rate and which is above the minimum rate of the grade of such officer or employee, his rate of basic compensation shall be adjusted retroactively to the date on which he became subject

to such Act, on the basis of the rate for that step of the appropriate grade of the General Schedule contained in this section which corresponds numerically to the step of the grade of the General Schedule for such officer or employee which was in effect (without regard to this Act) at the time he became subject to the Classification Act of 1949 as in effect immediately prior to such first day of such first pay period.

(15) Each officer or employee—

(A)(i) who, with his position has been transferred under authority of the Classification Act of 1949, at any time during the period beginning on the first day of the first pay period which began on or after July 1, 1962, and ending on the date of enactment of this Act, from the General Schedule of the Classification Act of 1949 to a prevailing rate schedule, or (ii) who, at any time during such period, transferred from a position subject to the Classification Act of 1949 to a position subject to a prevailing rate schedule,

(B) who, at all times subsequent to such transfer, was in the service of the United States (including the Armed Forces of the United States) or of the municipal government of the District of Columbia, without break in such service of more than thirty consecutive calendar days and, in the case of an individual relieved from training and service in the Armed Forces of the United

States or discharged from hospitalization following such training and service, without break in service in excess of the period provided by law for the mandatory restoration of such individual to a position in or under the Federal Government or the municipal government of the District of Columbia,

(C) who, on such date of enactment, is being compensated under a prevailing rate schedule, and

(D) whose rate of basic compensation on such date of enactment is less than the rate to which he would have been entitled on such date if such transfer had not occurred (unless he is receiving such lesser rate by reason of an adverse personnel action resulting from his own fault),

shall be paid basic compensation at a rate equal to the rate which he would have been receiving on such date of enactment if such transfer had not occurred until the day immediately following such date of enactment, for all time in a pay status on and after such first day of such first pay period in a position subject to a prevailing rate schedule under the circumstances prescribed in this subsection, until—

(a) he leaves the position which he holds on such date of enactment, or

(b) he is entitled to receive basic compensation at a higher rate under a prevailing rate schedule; but when

such position becomes vacant, the rate of basic compensation of any subsequent appointee thereto shall be fixed in accordance with prevailing rate schedules .

(c) The rates of basic compensation of officers and employees to whom Compensation Schedule II of the General Schedule set forth in subsection (a) of this section applies shall be initially adjusted, effective as of the first day of the first pay period beginning on or after July 1, 1963, as follows:

(1) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after July 1, 1963, at one of the rates of a grade in the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding rate in effect on and after such date.

(2) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after July 1, 1963, at a rate between two rates of a grade in the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the higher of the two corresponding rates in effect on and after such date.

(3) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after July 1, 1963, at a rate in excess of the maximum rate for his grade, as in effect on and after such effective date, he shall receive (A) the rate of the new schedule prescribed for employees at the maximum rate for his grade, or (B) his existing rate of basic compensation if such existing rate is higher.

(4) If the officer or employee, immediately prior to the first day of the first pay period which begins on or after July 1, 1963, is receiving, pursuant to paragraph (4) of section 2(b) of the Federal Employees Salary Increase Act of 1955, an existing aggregate rate of compensation determined under section 208(b) of the Act of September 1, 1954 (68 Stat. 1111; Public Law 763, Eighty-third Congress), plus the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, by section 2 of the Federal Employees Salary Increase Act of 1958, and by section 112 of the Federal Employees Salary Increase Act of 1960, he shall receive an aggregate rate of compensation equal to the sum of (A) his exist-

ing aggregate rate of compensation determined under such section 208(b) of the Act of September 1, 1954, (B) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, (C) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1958, (D) the amount of the increase provided by section 112 of the Federal Employees Salary Increase Act of 1960, and (E) the amount of the increase made by this section in the maximum rate of his grade, until (i) he leaves his position, or (ii) he is entitled to receive aggregate compensation at a higher rate by reason of the operation of this Act or any other provision of law; but, when such position becomes vacant, the aggregate rate of compensation of any subsequent appointee thereto shall be fixed in accordance with applicable provisions of law. Subject to clauses (i) and (ii) of the immediately preceding sentence of this paragraph, the amount of the increase provided by this section shall be held and considered for the purpose of section 208(b) of such Act of September 1, 1954, to constitute a part of the existing rate of compensation of such employee.

STEP-INCREASES

SEC. 203. Title VII of the Classification Act of 1949, as amended (5 U.S.C. 1121–1125), relating to step-increases under such Act, is amended to read as follows:

"TITLE VII—STEP-INCREASES

"SEC. 701. (a) Each officer or employee compensated on a per annum basis, and occupying a permanent position within the scope of the compensation schedules fixed by this Act, who has not attained the maximum rate of compensation for the grade in which his position is placed, shall be advanced in compensation successively to the next higher rate within the grade at the beginning of the next pay period following the completion of (1) each fifty-two calendar weeks of service in salary rates 1, 2, and 3, or (2) each one hundred and four calendar weeks of service in salary rates 4, 5, and 6, or (3) each one hundred and fifty-six calendar weeks of service in salary rates 7, 8, and 9, subject to the following conditions:

"(A) That no equivalent increase in compensation from any cause was received during such period;

"(B) That his work is of an acceptable level of competence as determined by the head of the department; and

"(C) That the benefit of successive step-increases

shall be preserved, under regulations issued by the Commission, for officers and employees whose continuous service is interrupted in the public interest by service with the Armed Forces or by service in essential non-Government civilian employment during a period of war or national emergency.

"(b) Any increase in compensation granted by law shall not be construed to be an equivalent increase in compensation within the meaning of subsection (a).

"SEC. 702. (a) Within the limit of available appropriations and in accordance with regulations prescribed by the Commission, the head of each department is authorized to grant additional step-increases in recognition of high quality performance above that ordinarily found in the type of position concerned. Step-increases under this section shall be in addition to those under section 701 and shall not be construed to be an equivalent increase in compensation within the meaning of subsection (a) of section 701.

"(b) No officer or employee shall be eligible under this section for more than one such additional step-increase within any period of fifty-two weeks.

"SEC. 703. This title shall not apply to the compensation of persons appointed by the President, by and with the advice and consent of the Senate."

GENERAL COMPENSATION RULES

SEC. 204. (a) Section 801 of the Classification Act of 1949, as amended (5 U.S.C. 1131), relating to new appointments, is amended to read as follows:

"SEC. 801. All new appointments shall be made at the minimum rate of the appropriate grade, except that the head of any department may, in accordance with regulations prescribed by the Commission, (1) appoint individuals who have extra qualifications for the position concerned at such higher rate or rates of a grade as the Commission may authorize for this purpose, and (2) make new appointments at rates above the minimum rate of the appropriate grade when the minimum rate would be less than the salary received by a well qualified appointee immediately prior to appointment, but no appointment under this clause (2) shall be made at a rate higher than the lowest rate of the appropriate grade which equals or exceeds an appointee's salary rate immediately prior to appointment.".

(b) Section 802(b) of the Classification Act of 1949, as amended (5 U.S.C. 1132(b)), relating to the salary to be received by an officer or employee who is promoted or transferred to a higher grade, is amended to read as follows:

"(b) Any officer or employee who is promoted or transferred to a position in a higher grade shall receive basic compensation at the lowest rate of such higher grade which

exceeds his existing rate of basic compensation by not less than two step-increases of the grade from which he is promoted or transferred. If, in the case of any officer or employee so promoted or transferred who is receiving basic compensation at a rate in excess of the maximum rate for his grade under any provision of law, there is no rate in such higher grade which is at least two step-increases above his existing rate of basic compensation, he shall receive (1) the maximum rate of such higher grade, or (2) his existing rate of basic compensation, if such existing rate is the higher. In case any such officer or employee so promoted or transferred is receiving basic compensation at a rate saved to him under section 507 of this Act upon reduction in grade, such officer or employee shall receive (A) basic compensation at a rate two steps above the rate which he would be receiving if such section 507 were not applicable in his case, or (B) his existing rate of basic compensation, if such existing rate is the higher.".

(c) Section 802 of such Act is amended by adding at the end thereof a new subsection to read as follows:

"(d) The Commission may issue regulations governing the retention of the rate of basic compensation of an employee who together with his position is brought under this Act. If any such employee so entitled to receive a retained rate under regulations issued pursuant to this subsection is

demoted to a position under this Act, his rate of basic compensation shall be determined in accordance with section 507 of this Act, except that service in the position which was brought under the Act shall, for purposes of section 507, be considered as service under this Act.".

(d) Section 803 of the Classification Act of 1949, as amended (5 U.S.C. 1133), is amended to read as follows:

"SEC. 803. Each employee in a position under this Act who regularly has responsibility for supervision (including supervision over the technical aspects of the work concerned) over employees whose compensation is fixed and adjusted from time to time by wage boards or similar administrative authorities as nearly as is consistent with the public interest in accordance with prevailing rates, may, in accordance with regulations issued by the Commission, be paid at one of the scheduled rates for his grade which is above the highest rate of basic compensation being paid to any such prevailing-rate employee regularly supervised, or at the maximum rate for his grade, as provided for in such regulations.".

SALARY RETENTION

SEC. 205. Section 507 of the Classification Act of 1949, as amended (72 Stat. 830; 5 U.S.C. 1107), is amended—

(1) by striking out "(other than grade 16, 17, or 18 of the General Schedule)" in paragraph (1) of subsection (a) of such section; and

(2) by striking out "(B) in the same grade or in the same and higher grades;" in paragraph (4) of subsection (a) of such section; and by inserting in lieu thereof "(B) in any grade or grades higher than the grade to which demoted;".

TOP GRADE POSITIONS UNDER CLASSIFICATION ACT OF 1949

SEC. 206. Section 505(b) of the Classification Act of 1949, as amended (5 U.S.C. 1105(b)), relating to the limitation on numbers of positions in grades 16, 17, and 18 of the General Schedule of such Act, is amended by striking out the words "(not to exceed an aggregate of nineteen hundred and eighty-nine)" and substituting in lieu thereof "(not to exceed an aggregate of two thousand and forty)".

EFFECTIVE DATES

SEC. 207. Except as otherwise expressly provided in this title, the provisions of this title shall become effective as follows:

(1) This section and sections 203 (step-increases),

204 (a) and (d) (general compensation rules), 205 (salary retention), and 206 (top grade positions under Classification Act of 1949) shall become effective on the date of enactment of this Act.

(2) Sections 201 (short title), 202 (basic compensation schedules), and 204 (b) and (c) (general compensation rules) shall become effective as of the first day of the first pay period which began on or after July 1, 1962.

TITLE III—THE FOREIGN SERVICE ACT OF 1946

SHORT TITLE

SEC. 301. This title may be cited as the "Foreign Service Salary Reform Act of 1962".

FOREIGN SERVICE OFFICERS

SEC. 302. The second, third, and fourth sentences of section 412 of the Foreign Service Act of 1946, as amended (22 U.S.C. 867), are amended to read as follows: "Effective on the first day of the first pay period beginning on or after the following dates, the per annum salaries of career ambassador and career minister will be:

	"July 1, 1962	July 1, 1963
Career ambassador	$25,000	$28,000
Career minister	22,245	27,290

"*As of the first day of the first pay period which began on or after July 1, 1962, the per annum salaries of Foreign Service officers within each of the other classes shall be as follows:*

"Class 1	$19,580	$20,235					
Class 2	16,115	16,650	$17,185	$17,720	$18,255	$18,790	$19,325
Class 3	13,275	13,715	14,155	14,595	15,035	15,475	15,915
Class 4	10,965	11,330	11,695	12,060	12,425	12,790	13,155
Class 5	9,115	9,420	9,725	10,030	10,335	10,640	10,945
Class 6	7,645	7,900	8,155	8,410	8,665	8,920	9,175
Class 7	6,475	6,690	6,905	7,120	7,335	7,550	7,765
Class 8	5,540	5,725	5,910	6,095	6,280	6,465	6,650

"*On the first day of the first pay period which begins on or after July 1, 1963, the per annum salaries of Foreign Service officers within each of the other classes shall be as follows:*

"Class 1	$22,910	$23,675					
Class 2	18,500	19,115	$19,730	$20,345	$20,960	$21,575	$22,190
Class 3	14,970	15,470	15,970	16,470	16,970	17,470	17,970
Class 4	12,190	12,595	13,000	13,405	13,810	14,215	14,620
Class 5	9,970	10,305	10,640	10,975	11,310	11,645	11,980
Class 6	8,240	8,515	8,790	9,065	9,340	9,615	9,890
Class 7	6,870	7,100	7,330	7,560	7,790	8,020	8,250
Class 8	5,795	5,990	6,185	6,380	6,575	6,770	6,965".

FOREIGN SERVICE STAFF OFFICERS AND EMPLOYEES

SEC. 303. Section 415 of such Act is amended to read as follows:

"*SEC. 415. (a) Effective as of the first day of the first pay period which began on or after July 1, 1962, there shall be ten classes of Foreign Service staff officers and employees, referred to hereafter as staff officers and employees,*

and the per annum salaries of staff officers and employees within each class shall be as follows:

"Class 1	$13,275	$13,715	$14,155	$14,595	$15,035	$15,475	$15,915	$16,355	$16,795	$17,235
Class 2	10,965	11,330	11,695	12,060	12,425	12,790	13,155	13,520	13,885	14,250
Class 3	9,115	9,420	9,725	10,030	10,335	10,640	10,945	11,250	11,555	11,860
Class 4	7,645	7,900	8,155	8,410	8,665	8,920	9,175	9,430	9,685	9,940
Class 5	6,910	7,140	7,370	7,600	7,830	8,060	8,290	8,520	8,750	8,980
Class 6	6,225	6,435	6,645	6,855	7,065	7,275	7,485	7,695	7,905	8,115
Class 7	5,610	5,800	5,990	6,180	6,370	6,560	6,750	6,940	7,130	7,320
Class 8	5,060	5,230	5,400	5,570	5,740	5,910	6,080	6,250	6,420	6,590
Class 9	4,575	4,725	4,875	5,025	5,175	5,325	5,475	5,625	5,775	5,930
Class 10	4,110	4,250	4,390	4,530	4,670	4,825	4,980	5,135	5,290	5,445

"On the first day of the first pay period which begins on or after July 1, 1963, the per annum salaries of staff officers and employees within each class shall be as follows:

"Class 1	$14,970	$15,470	$15,970	$16,470	$16,970	$17,470	$17,970	$18,470	$18,970	$19,470
Class 2	12,190	12,595	13,000	13,405	13,810	14,215	14,620	15,025	15,430	15,835
Class 3	9,970	10,305	10,640	10,975	11,310	11,645	11,980	12,315	12,650	12,985
Class 4	8,240	8,515	8,790	9,065	9,340	9,615	9,890	10,165	10,440	10,715
Class 5	7,360	7,605	7,850	8,095	8,340	8,585	8,830	9,075	9,320	9,565
Class 6	6,580	6,800	7,020	7,240	7,460	7,680	7,900	8,120	8,340	8,560
Class 7	5,890	6,085	6,280	6,475	6,670	6,865	7,060	7,255	7,450	7,645
Class 8	5,270	5,445	5,620	5,795	5,970	6,145	6,320	6,495	6,670	6,845
Class 9	4,715	4,870	5,025	5,180	5,335	5,490	5,645	5,800	5,955	6,110
Class 10	4,215	4,355	4,495	4,635	4,775	4,915	5,060	5,215	5,370	5,525

"(b) Notwithstanding the provisions of paragraph (a) of this section, the Secretary may, under such regulations as he may prescribe, classify positions at levels below class 10, and establish salary rates therefor at lower rates than those prescribed by this section, for American employees recruited abroad who are not available or are not qualified for transfer to another post and who perform duties of a more routine nature than are generally performed at the class 10 level.".

CONVERSION

SEC. 304. Foreign Service officers, Reserve officers, and Foreign Service staff officers and employees who are entitled to receive basic compensation immediately prior to the effec-

tive date of this title at one of the rates provided by section 412 or 415 of the Foreign Service Act of 1946, shall receive basic compensation on and after the effective date of this title at the rate of their class determined to be appropriate by the Secretary of State: Provided, That staff officers and employees shall be transferred to the new staff classes established by this Act as follows:

Present class under section 415 of the Foreign Service Act of 1946	*Corresponding new class under section 415 of the Foreign Service Act of 1946, as amended*
FSS– 1	*FSS– 1*
FSS– 2	*FSS– 1*
FSS– 3	*FSS– 2*
FSS– 4	*FSS– 2*
FSS– 5	*FSS– 3*
FSS– 6	*FSS– 3*
FSS– 7	*FSS– 4*
FSS– 8	*FSS– 5*
FSS– 9	*FSS– 6*
FSS–10	*FSS– 7*
FSS–11	*FSS– 8*
FSS–12	*FSS– 9*
FSS–13	*FSS–10*
FSS–14 and below	(1)

[1] *Remain at present class and salary rate until revised pursuant to new section 415(b).*

CONFORMING AMENDMENTS

SEC. 305. The heading of section 642 of the Foreign Service Act of 1946 is amended by deleting the words "AND LONGEVITY" and section 642 is amended by deleting "(a)" in the first paragraph and by deleting subsection (b) in its entirety.

EFFECTIVE DATE

SEC. 306. Except as otherwise expressly provided in this title, this title shall become effective as of the first day

of the first pay period which began on or after July 1, 1962.

TITLE IV—DEPARTMENT OF MEDICINE AND SURGERY IN THE VETERANS' ADMINISTRATION

CHIEF MEDICAL DIRECTOR AND OTHER OFFICERS

SEC. 401. Section 4103 of title 38 of the United States Code, relating to the appointment and annual salaries of the Chief Medical Director and certain other officers of the Department of Medicine and Surgery of the Veterans' Administration, is amended to read as follows:

"§ *4103. Appointments and compensation.*

"(a) The Office of the Chief Medical Director shall consist of the Chief Medical Director, one Deputy Chief Medical Director, not to exceed five Assistant Chief Medical Directors, such Medical Directors as may be designated by the Chief Medical Director to suit the needs of the Department, and such other personnel and employees as may be authorized by this chapter.

"(b) The Chief Medical Director shall be the Chief of the Department of Medicine and Surgery and shall be directly responsible to the Administrator for the operations of the Department. He shall be a qualified doctor of medicine, appointed by the Administrator. During the period of his service as such, the Chief Medical Director shall be paid,

effective on the first day of the first pay period beginning on or after—

"July 1, 1962, a salary of $23,000 a year;

"July 1, 1963, a salary of $28,000 a year.

"(c) The Deputy Chief Medical Director shall be the principal assistant to the Chief Medical Director. He shall be a qualified doctor of medicine, appointed by the Administrator. During the period of his service as such, the Deputy Chief Medical Director shall be paid, effective on the first day of the first pay period beginning on or after—

"July 1, 1962, a salary of $22,245 a year;

"July 1, 1963, a salary of $27,290 a year.

"(d) Each Assistant Chief Medical Director shall be appointed by the Administrator upon the recommendation of the Chief Medical Director and shall be paid, effective on the first day of the first pay period beginning on or after—

"July 1, 1962, a salary of $20,315 a year;

"July 1, 1963, a salary of $24,500 a year.

"One Assistant Chief Medical Director shall be a qualified doctor of dental surgery or dental medicine who shall be directly responsible to the Chief Medical Director for the operations of the Dental Service.

"(e) Medical Directors, during their period of service as such, shall be paid, effective on the first day of the first pay period beginning on or after—

"July 1, 1962, a salary of $18,960 minimum to $20,180 maximum a year;

"July 1, 1963, a salary of $22,480 minimum to $23,930 maximum a year.

"(f) The Director of Nursing Service shall be a qualified registered nurse, appointed by the Administrator, and shall be responsible to the Chief Medical Director for the operation of the Nursing Service. During the period of service as such, the Director of Nursing Service shall be paid, effective on the first day of the first pay period beginning on or after—

"July 1, 1962, a salary of $14,495 minimum to $18,815 maximum a year;

"July 1, 1963, a salary of $16,620 minimum to $21,615 maximum a year.

"(g) The Administrator may appoint a chief pharmacist and a chief dietitian. During the period of his service as such, the chief pharmacist and the chief dietitian shall be paid, effective on the first day of the first pay period beginning on or after—

"July 1, 1962, a salary of $14,495 minimum to $18,815 maximum a year;

"July 1, 1963, a salary of $16,620 minimum to $21,615 maximum a year.

"(h) Except as provided in subsection (j), any appoint-

ment under this section shall be for a period of four years but persons so appointed shall be subject to removal by the Administrator for cause.

"(i) Reappointments may be made for successive like periods.

"(j) The Administrator may designate a member of the Chaplain Service of the Veterans' Administration as Director, Chaplain Service, for a period of two years, subject to removal by the Administrator for cause. During the period that any such member serves as Director, Chaplain Service, he shall be paid a salary, as determined by the Administrator, within the minimum and maximum salary limitations prescribed for Grade GS–15 positions by the Classification Act of 1949, as amended. Redesignations under this subsection may be made for successive like periods. An individual designated as Director, Chaplain Service, shall at the end of his period of service as Director revert to the position, grade, and status which he held immediately prior to being designated Director, Chaplain Service, and all service as Director, Chaplain Service, shall be creditable as service in the former position.".

PHYSICIANS, DENTISTS, AND NURSES

SEC. *402. Section 4107 of such title 38 relating to the minimum and maximum rates of annual salary of certain physicians, dentists, and nurses of the Department*

of Medicine and Surgery of the Veterans' Administration is amended to read as follows:

"§ 4107. Grades and pay scales.

"(a)(1) Effective on the first day of the first pay period beginning on or after July 1, 1962, the grades and per annum full-pay ranges for positions provided in paragraph (1) of section 4104 of this title shall be as follows:

"PHYSICIAN AND DENTIST SCHEDULE

"Director grade, $16,400 minimum to $19,670 maximum.

"Executive grade, $15,410 minimum to $19,570 maximum.

"Chief grade, $14,495 minimum to $18,815 maximum.

"Senior grade, $12,665 minimum to $16,490 maximum.

"Intermediate grade, $10,965 minimum to $14,250 maximum.

"Full grade, $9,380 minimum to $12,215 maximum.

"Associate grade, $7,960 minimum to $10,345 maximum.

"NURSE SCHEDULE

"Assistant Director grade, $12,665 minimum to $16,490 maximum.

"Chief grade, $10,965 minimum to $14,250 maximum.

"Senior grade, $9,380 minimum to $12,215 maximum.

"Intermediate grade, $7,960 minimum to $10,345 maximum.

"Full grade, $6,675 minimum to $8,700 maximum.

"Associate grade, $5,820 minimum to $7,575 maximum.

"Junior grade, $5,035 minimum to $6,565 maximum.

"(2) Effective on the first day of the first pay period beginning on or after July 1, 1963, the per annum full pay range for positions provided in paragraph (1) of section 4104 of this title shall be as follows:

"PHYSICIAN AND DENTIST SCHEDULE

"Director grade, $19,125 minimum to $22,935 maximum.

"Executive grade, $17,835 minimum to $22,595 maximum.

"Chief grade, $16,620 minimum to $21,615 maximum.

"Senior grade, $14,310 minimum to $18,585 maximum.

"Intermediate grade, $12,190 minimum to $15,835 maximum.

"Full grade, $10,270 minimum to $13,375 maximum.

"Associate grade, $8,580 minimum to $11,145 maximum.

"NURSE SCHEDULE

"Assistant Director grade, $14,310 minimum to $18,585 maximum.

"Chief grade, $12,190 minimum to $15,835 maximum.

"Senior grade, $10,270 minimum to $13,375 maximum.

"Intermediate grade, $8,580 minimum to $11,145 maximum.

"Full grade, $7,095 minimum to $9,210 maximum.

"Associate grade, $6,115 minimum to $7,960 maximum.

"Junior grade, $5,235 minimum to $6,810 maximum.

"(b) No person may hold the director grade unless he is serving as a director of a hospital, domiciliary, center, or outpatient clinic (independent). No person may hold the executive grade unless he holds the position of chief of staff at a hospital, center, or outpatient clinic (independent), or the position of clinic director, outpatient clinic, or comparable position.".

MEDICAL, SURGICAL, AND DENTAL SPECIALISTS

SEC. 403. (a) Section 4108 of such title 38 which formerly prescribed the maximum amount of pay and allowances for medical, surgical, or dental specialists of the Department of Medicine and Surgery of the Veterans' Administration is amended, effective on the date of enactment of this Act, to read as follows:

"§ *4108. Administration.*

"Notwithstanding any law, Executive order, or regulation, the Administrator shall prescribe by regulation the hours and conditions of employment and leaves of absence of physicians, dentists, and nurses.".

(b) The table of contents of chapter 73 of such title 38 is amended by striking out

"4108. Specialist ratings."

and inserting in lieu thereof

"4108. Administration.".

DIRECTORS OF HOSPITALS, DOMICILIARIES, AND CENTERS

SEC. 404. Section 4111(b) of such title 38, relating to the annual salary of certain individuals serving as director of a hospital, domiciliary, or center, is amended, effective on the date of enactment of this Act, to read as follows:

"(b) Notwithstanding any other provision of law, the per annum salary rate of each individual serving as a director of a hospital, domiciliary, or center who is not a physician in the medical service shall not be less than the rate of salary which he would receive under section 4107 of this title if his service as a director of a hospital, domiciliary, or center had been service as a physician in the director

grade. This subsection shall not affect the allocation of any position of director of a hospital, domiciliary, or center to any grade of the General Schedule of the Classification Act of 1949, except with respect to changes in rate of salary pursuant to the preceding sentence, and shall not affect the applicability of the Performance Rating Act of 1950 to any individual.".

EFFECTIVE DATE

SEC. 405. Except as otherwise expressly provided in this title, this title shall become effective as of the first day of the first pay period which began on or after July 1, 1962.

TITLE V—MISCELLANEOUS SALARY PROVISIONS

REVISION OF SALARY LIMITATIONS FOR CERTAIN SCIENTIFIC AND PROFESSIONAL POSITIONS

SEC. 501. (a) Section 2(b) of the Act of August 1, 1947 (Public Law 313, Eightieth Congress, as amended (75 Stat. 789; 5 U.S.C. 1161–1163)), relating to the rates of compensation of certain scientific or professional positions, is amended to read as follows:

"(b) The per annum rates of compensation for positions established pursuant to the provisions of this Act shall not be less than the minimum rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor

more than the highest rate of grade 18 of the General Schedule of such Act.".

(b) Section 1581(b) of title 10 of the United States Code, relating to the rates of compensation of certain scientific or professional positions in the Department of Defense, is amended to read as follows:

"(b) Subject to the Civil Service Commission's approval as to rates, the Secretary may fix the compensation for positions established under subsection (a). However, the per annum compensation may not be less than the minimum rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act.".

(c) Section 4 of the Act of May 29, 1959 (73 Stat. 63; Public Law 86–36), as amended by section 204 of the Act of October 4, 1961 (75 Stat. 791; Public Law 87–367), authorizing scientific and professional positions in the National Security Agency, is amended by striking out ", as amended by paragraph (34)(B) of the first section of the Act of September 2, 1958 (72 Stat. 1456; Public Law 85–861)".

(d) The proviso contained in the first sentence of section 208(g) of the Public Health Service Act, as amended (42 U.S.C. 210(g)), relating to the rates of compensation of certain scientific, professional, and administra-

tive personnel in the Public Health Service, is amended to read as follows: ": Provided, That the rates of compensation for positions established pursuant to the provisions of this subsection shall not be less than the minimum rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act, and shall be subject to the approval of the Civil Service Commission.".

(e) The proviso contained in the second sentence of section 12 of the Act of May 29, 1884 (62 Stat. 198 as amended and supplemented; 21 U.S.C. 113a), authorizing the Secretary of Agriculture to employ and fix the compensation of technical experts and scientists for research and study of foot-and-mouth disease and other animal diseases, is amended to read as follows: ": Provided, That the number so employed shall not exceed five and that the maximum compensation for each shall not exceed the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended.".

(f) Section 203(b)(2) of the National Aeronautics and Space Act of 1958 (72 Stat. 429; 42 U.S.C. 2473(b)(2)), as amended, authorizing the Administrator of the National Aeronautics and Space Administration to establish and fix the compensation of four hundred and twenty-five scientific, engineering, and administrative posi-

tions, is amended by striking out, in the second sentence, ", except that (A) to the extent the Administrator deems such action necessary to the discharge of his responsibilities, he may appoint and fix the compensation (up to a limit of $19,000 a year, or up to a limit of $21,000 a year for a maximum of thirty positions) of" and by inserting in lieu thereof ", except that (A) to the extent the Administrator deems such action necessary to the discharge of his responsibilities, he may appoint and fix the compensation (at not to exceed the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended, or, for a maximum of thirty positions, up to the highest rate of grade 18 of the General Schedule of the Classification Act of 1949 as in effect on and after the first day of the first pay period which begins on or after July 1, 1963, without regard to section 506(a) of the Federal Salary Reform Act of 1962) of".

(g) That part of the proviso in section 161 d. of the Atomic Energy Act of 1954, as amended (71 Stat. 613; 42 U.S.C. 2201), fixing a limit of $19,000 on the compensation of scientific and technical personnel, is amended by striking out the words "up to a limit of $19,000)" and inserting in lieu thereof "up to a limit of the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended)".

(h) Section 302(f) of the Federal Aviation Act of 1958

(72 Stat. 746; 49 U.S.C. 1343(d)), as amended, authorizing the Administrator of the Federal Aviation Agency to select, employ, and fix the compensation of 23 positions at rates not to exceed $19,500 per annum, is amended by striking out "$19,500 per annum" and inserting in lieu thereof "the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended".

(i) Section 2 of the Act of June 14, 1948, as amended (62 Stat. 441; 66 Stat. 43; 22 U.S.C. 290a), relating to the compensation of the United States representative and alternate on the Executive Board of the World Health Organization, is amended by striking out "Such representative shall be entitled to receive compensation at a rate not to exceed $12,000 per annum and any such alternate shall be entitled to receive compensation at a rate not to exceed $10,000 per annum", and inserting in lieu thereof "Such representative and any such alternate shall each be entitled to receive compensation at one of the rates provided by section 412 of the Foreign Service Act of 1946, as amended,".

AGRICULTURAL STABILIZATION AND CONSERVATION COUNTY COMMITTEE EMPLOYEES

SEC. 502. The rates of compensation of persons employed by the county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) shall be increased by amounts equal, as

nearly as may be practicable, to the increases provided by title II of this Act for corresponding rates of compensation in the appropriate schedule or scale of pay.

EMPLOYEES IN THE JUDICIAL BRANCH

SEC. 503. (a) The rates of basic compensation of officers and employees in or under the judicial branch of the Government whose rates of compensation are fixed by or pursuant to paragraph (2) of subdivision a of section 62 of the Bankruptcy Act (11 U.S.C. 102(a)(2)), section 3656 of title 18 of the United States Code, the third sentence of section 603, section 604(a)(5), sections 672 to 675, inclusive, of title 28 of the United States Code, or section 107(a)(6) of the Act of July 31, 1956, as amended (5 U.S.C. 2206 (a)(6)), are hereby increased by two amounts, the first amount to be effective for the period beginning as of the first day of the first pay period which began on or after July 1, 1962, and ending immediately prior to the first day of the first pay period which begins on or after July 1, 1963, and the second amount to be effective on the first day of the first pay period which begins on or after July 1, 1963, and thereafter, which reflect the respective applicable increases provided by title II of this Act in corresponding rates of compensation for officers and employees subject to the Classification Act of 1949, as amended.

(b) The limitations provided by applicable law on the

effective date of this section with respect to the aggregate salaries payable to secretaries and law clerks of circuit and district judges are hereby increased by two amounts, the first amount to be effective for the period beginning as of the first day of the first pay period which began on or after July 1, 1962, and ending immediately prior to the first day of the first pay period which begins on or after July 1, 1963, and the second amount to be effective on the first day of the first pay period which begins on or after July 1, 1963, and thereafter, which reflect the respective applicable increases provided by title II of this Act in corresponding rates of compensation for officers and employees subject to the Classification Act of 1949, as amended.

(c) Section 753(e) of title 28 of the United States Code (relating to the compensation of court reporters for district courts) is amended by striking out the existing salary limitation contained therein and inserting a new limitation to be effective for the period beginning as of the first day of the first pay period which began on or after July 1, 1962, and ending immediately prior to the first day of the first pay period which begins on or after July 1, 1963, and a second new limitation effective on the first day of the first pay period which begins on or after July 1, 1963, and thereafter, which reflect the respective applicable increases provided by title II of this Act in corresponding rates of

compensation for officers and employees subject to the Classification Act of 1949, as amended.

EMPLOYEES IN THE LEGISLATIVE BRANCH

SEC. 504. (a) The gross rate of compensation (basic compensation plus additional compensation authorized by law) in effect immediately prior to the effective date of this section of each officer or employee in or under the legislative branch of the Government whose rate of compensation is increased by section 5 of the Federal Employees Pay Act of 1946 shall be increased by an aggregate amount determined in the manner provided by this section, which shall be payable in two equal increments, the first such increment to be effective as of the first day of the first pay period which began on or after July 1, 1962, and the second such increment to be effective on the first day of the first pay period which begins on or after July 1, 1963.

(b) The total annual compensation in effect immediately prior to the effective date of this section of each officer or employee of the House of Representatives whose compensation is disbursed by the Clerk of the House of Representatives and is not increased automatically, or is not permitted to be increased administratively, by reason of any other provision of this section (except subsection (d)), shall be increased by an aggregate amount determined in the manner provided by this section, which shall be payable in two equal increments,

the first such increment to be effective as of the first day of the first pay period which began on or after July 1, 1962, and the second such increment to be effective on the first day of the first pay period which begins on or after July 1, 1963.

(c) Each of the limitations on gross rate per thousand and gross rate per hour per person provided by applicable law on the effective date of this section with respect to the folding of speeches and pamphlets for the House of Representatives shall be increased by an aggregate amount which is the same percentage of such limitation as that percentage which the aggregate amount of the increases provided by title II of this Act in the rate of basic compensation for the fourth step of grade 6 of the General Schedule of the Classification Act of 1949, as amended, is of the rate of basic compensation for such step immediately prior to the first of such increases. The aggregate amount of the increase in each such limitation shall be made effective in two equal increments, the first such increment to be effective as of the first day of the first pay period which began on or after July 1, 1962, and the second such increment to be effective on the first day of the first pay period which begins on or after July 1, 1963. The amount of each increase under this subsection shall be computed to the nearest cent, counting one-half cent and over as a whole cent.

(d) The respective aggregate amounts of the increases

provided for by subsections (a) and (b) of this section shall be determined in accordance with the following rules, as applicable:

(1) If the gross rate of compensation or the total annual compensation is less than the minimum scheduled rate of grade 7 of the General Schedule of the Classification Act of 1949, as amended, as in effect immediately prior to the effective date of this section, the aggregate amount of the increases in such gross rate of compensation or such total annual compensation shall be an amount which is the same percentage of such gross rate of compensation or such total annual compensation as that percentage which the aggregate amount of the increases provided by title II of this Act in the rate of basic compensation for the fourth step of grade 6 of such schedule is of the rate of basic compensation for such step immediately prior to the first of such increases.

(2) If the gross rate of compensation or the total annual compensation of the officer or employee concerned is—

(A) equal to or greater than the minimum scheduled rate of grade 7 of such schedule as in effect immediately prior to the effective date of this section, but—

(B) is less than the minimum scheduled rate

of the next higher grade of such schedule immediately prior to such date,

and if paragraphs (3) and (4) of this subsection are not applicable, the aggregate amount of the increases in such gross rate of compensation or such total annual compensation shall be an amount which is the same percentage of such gross rate of compensation or such total annual compensation as that percentage which the aggregate amount of the increases provided by title II of this Act in the rate of basic compensation for the fourth step of the applicable grade within the purview of subparagraph (A) of this paragraph is of the rate of basic compensation for such step immediately prior to the first of such increases.

*(3) If the gross rate of compensation or the total annual compensation is equal to or greater than the minimum scheduled rate of grade 11, but less than the minimum scheduled rate of grade 13, of such schedule as in effect immediately prior to the effective date of this section, the aggregate amount of the increases in such gross rate of compensation or such total annual compensation shall be an amount which is the same percentage of such gross rate of compensation or such total annual compensation as that percentage which the aggregate

amount of the increases provided by title II of this Act in the rate of basic compensation for the fourth step of grade 12 of such schedule is of the rate of basic compensation for such step immediately prior to the first of such increases.

(4) If the gross rate of compensation or the total annual compensation is equal to or greater than the minimum scheduled rate of grade 17 of such schedule as in effect immediately prior to the effective date of this section, the aggregate amount of the increases in such gross rate of compensation or such total annual compensation shall be an amount which is the same percentage of such gross rate of compensation or such total annual compensation as that percentage which the aggregate amount of the increases provided by title II of this Act in the rate of basic compensation for the fourth step of such grade 17 is of the rate of basic compensation for such step immediately prior to the first of such increases.

(e) All percentages determined under this section shall be rounded to the nearest one-half percent.

(f) The additional compensation provided by this section shall be considered a part of basic compensation for the purposes of the Civil Service Retirement Act (5 U.S.C. 2251 and the following).

ADMINISTRATIVE RATES

SEC. 505. (a) Notwithstanding section 3679 of the Revised Statutes, as amended (31 U.S.C. 665), the rates of compensation of officers and employees of the Federal Government and of the municipal government of the District of Columbia whose rates of compensation are fixed by administrative action pursuant to law and are not otherwise increased by this Act are hereby authorized to be increased, by amounts not to exceed the increases, and effective on the dates, provided by this Act for corresponding rates of compensation in the appropriate schedule or scale of pay.

(b) Nothing contained in this section shall be deemed to authorize any increase in the rates of compensation of officers and employees whose rates of compensation are fixed and adjusted from time to time as nearly as is consistent with the public interest in accordance with prevailing rates or practices.

(c) Nothing contained in this section shall affect the authority contained in any law pursuant to which rates of compensation may be fixed by administrative action.

SALARY CEILINGS

SEC. 506. (a) Notwithstanding any provision of this Act the rate of basic compensation of each officer or employee subject to title I or II of this Act shall not exceed the smaller of the two amounts set forth in section 601(a) of

the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 31).

(b) Notwithstanding any provision of this Act, the gross rate of compensation (basic compensation plus additional compensation authorized by law), or the total annual compensation, as the case may be, of each officer or employee in the legislative branch subject to section 504 of this Act shall not exceed $500 less than the smaller of the two amounts set forth in section 601(a) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 31).

PROVISIONS RELATING TO RETROACTIVE COMPENSATION OR SALARY

SEC. 507. (a) Retroactive compensation or salary shall be paid by reason of this Act only in the case of an individual who, on the date of enactment of this Act, is on any employment roll of the Federal Government or of the municipal government of the District of Columbia, as follows—

(1) to such individual if, on such date of enactment, he (A) is on any such employment roll, (B) is in the service of the Armed Forces of the United States, or (C) is retired under any retirement law or retirement system for civilian officers or employees in or under the Federal Government or the municipal government of the District of Columbia; or

(2) to the survivor or survivors, in accordance with

the Act of August 3, 1950 (Public Law 636, Eighty-first Congress), as amended (5 U.S.C. 61f–61k), of any such individual who has died prior to such date of enactment if, at the time of his death, such individual was (A) on any such employment roll, (B) in the service of the Armed Forces of the United States, or (C) retired under any such retirement law or retirement system.

(b) Payments of increases pursuant to subsection (a) of this section shall not be considered as basic salary for the purposes of the Civil Service Retirement Act (5 U.S.C. 2251–2267) or other retirement law or retirement system in the case of any retired or deceased individual described in subparagraph (1) or (2) of such subsection (a).

(c) For the purposes of this section, service in the Armed Forces of the United States, in the case of an individual relieved from training and service in the Armed Forces of the United States or discharged from hospitalization following such training and service, shall include the period provided by law for the mandatory restoration of such individual to a position in or under the Federal Government or the municipal government of the District of Columbia.

(d) Increases in basic salary paid pursuant to subsection (a) of this section shall not be held or considered to be annual compensation for the purposes of the Federal Employees'

Group Life Insurance Act of 1954, as amended (5 U.S.C. 2091–2103).

SAVINGS PROVISION

SEC. 508. Notwithstanding any provision of this Act, no rate of basic, gross, or total annual compensation or salary shall be reduced by reason of the enactment of this Act.

EFFECTIVE DATE

SEC. 509. Except as otherwise expressly provided in this title, this title shall become effective as of the first day of the first pay period which began on or after July 1, 1962.

TITLE VI—GENERAL POLICY

FINDINGS AND DECLARATION OF POLICY

SEC. 601. (a) The Congress hereby finds that—

(1) the primary purpose and function of an effective salary system for the Federal Government is the establishment and adjustment of rates of salary, for services rendered by Federal employees, in such manner as—

(A) to make possible the employment of persons well qualified to conduct the programs of the Federal Government, and

(B) to control expenditures of public funds for personal services with equity to the employee and to the taxpayer; and

(2) the successful accomplishment of such purpose

and function is essential to the development and maintenance of maximum proficiency in the civilian service of the Federal Government.

(b) It is, therefore, hereby declared to be the policy of the Congress and the purpose of this Act to reform the respective salary systems for the Federal Government in a manner which applies the following basic principles with respect to the establishment and adjustment of Federal salaries:

(1) There shall be equal pay for substantially equal work, and pay distinctions shall be maintained in keeping with work and performance distinctions.

(2) Federal salary rates shall be comparable with private enterprise salary rates for the same levels of work.

(3) Salary levels for the respective Federal statutory salary systems shall be interrelated and shall be set and adjusted in accordance with the policy and purpose of this Act.

COMMITTEE ON FEDERAL PAY

SEC. 602. (a) The President shall appoint a Committee on Federal Pay which shall consist of not more than seven members including one representative of the Bureau of the Budget, one representative of the United States Civil Service Commission, one or more representatives of employee organi-

zations, one or more representatives of the public, and such other members as the President may deem advisable. The President shall designate one of the members as Chairman of the Committee.

(b) Members of the Committee who are otherwise employed by the Government shall serve without additional compensation but shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties as such members. Members of the Committee who are not otherwise employed by the Government shall each be paid $100 per diem when engaged in the performance of their duties as such members, and shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

(c) The head of any Government agency represented on the Committee is authorized to furnish the Committee with such office space, services, and supplies as may be appropriate to enable the Committee to perform its functions.

(d) In order to give effect to the policy stated in section 601 and to insure that Federal statutory pay rates are maintained at levels in accord with the principles set forth in such section—

(1) the Committee appointed under this section shall—

(A) review the various statutory pay systems

of the Government with a view to ascertaining what changes therein are necessary or desirable in the interests of efficiency, equity, and economy;

(B) review the rates in effect under such systems with a view to ascertaining the adequacy thereof in comparison with pay rates in private industry for positions having comparable levels of duties and responsibilities, as shown by relevant data provided by the Bureau of Labor Statistics of the Department of Labor or other data available to the Committee in accord with the principles set forth in section 601; and

(C) report to the President the results of such reviews together with such recommendations for necessary adjustments in statutory pay schedules or other improvements in the Federal salary structure as it deems desirable;

(2) the President shall submit to the Congress, on or before March 1 of each year, a report summarizing the findings of such Committee together with his recommendations for such adjustments as are necessary to maintain Federal salary schedules in accord with the basic principles established by section 601.

ESTABLISHMENT OF MINIMUM COMPENSATION RATES FOR CERTAIN OCCUPATIONS IN CERTAIN AREAS

SEC. 603. (a) Whenever the President or such agency or agencies as he may designate shall find that the salary rates in private enterprise for one or more occupations in one or more areas or locations are so substantially above the salary rates of statutory pay schedules as to handicap significantly the Government's recruitment or retention of well-qualified persons in positions compensated under—

(1) section 603(b) of the Classification Act of 1949, as amended (5 U.S.C. 1113(b)),

(2) the provisions of part III of title 39, United States Code, relating to personnel in the postal field service,

(3) the pay scales for physicians, dentists, and nurses in the Department of Medicine and Surgery of the Veterans' Administration under chapter 73 of title 38, United States Code, or

(4) sections 412 and 415 of the Foreign Service Act of 1946, as amended (22 U.S.C. 867 and 870),

the President or such agency or agencies as he may designate may establish for such areas or locations higher minimum rates of basic compensation for one or more grades or levels,

occupational groups, series, classes, or subdivisions thereof, and may make corresponding increases in all step rates of the salary range for each such grade or level, but in no case shall any minimum compensation rate so established exceed the highest compensation rate prescribed by law for the grade or level.

(b) Rates of basic compensation established under subsection (a) may be revised from time to time by the President or by such agency or agencies as he may designate. Such actions or revisions shall have the force and effect of law.

(c) Any increase in rate of basic compensation established under this section shall not be regarded as an "equivalent increase" in compensation within the meaning of section 701(a) of the Classification Act of 1949, as amended (5 U.S.C. 1121(a)), and section 3552 of title 39 of the United States Code.

POLICIES, RULES, AND REGULATIONS OF THE PRESIDENT

SEC. 604. (a) The President is authorized to prescribe such policies, rules, and standards, not inconsistent with the provisions of law specified in this section, as he deems appropriate, in order to carry out the policy and purpose of this Act with respect to the several Federal salary systems covered by such provisions of law and in order to

provide adequate supervision and control by the President over the functions, duties, and regulations of the respective authorities in the executive branch in connection with the administration and operation of such salary systems under such provisions of law, as follows:

(1) the provisions of this title;

(2) the Classification Act of 1949, as amended;

(3) the provisions of part III of title 39, United States Code, relating to personnel in the postal field service;

(4) the Foreign Service Act of 1946, as amended;

(5) the provisions of chapter 73 of title 38, United States Code, relating to personnel of the Department of Medicine and Surgery in the Veterans' Administration.

(b) Such policies, rules, and standards of the President may provide for—

(1) the preparation and reporting to the President of the annual comparison of Federal salary rates with private enterprise rates;

(2) the obtaining and reporting to the President of the views of employee organizations on such annual comparison and on other salary matters;

(3) the review of, and the reporting to the Presi-

dent on, the adequacy of the Federal statutory salary structures contained in the respective provisions of law specified in subsection (a) of this section;

(4) the review of the relationship of Federal statutory salary rates and private enterprise salary rates in specific occupations and local areas;

(5) the granting, under authority provided by law, of step-increases in recognition of extra competence;

(6) the appointment, under authority provided by law, of personnel at salary rates above the minimum;

(7) the establishment of a proper relationship of the supervisory salary rates paid under one salary system to the salary rates of subordinates paid under another salary system; and

(8) such other matters as the President deems appropriate.

ABSORPTION OF COSTS

SEC. 605. (a) The Director of the Bureau of the Budget is authorized and directed to provide by regulation for the absorption, from the respective applicable appropriations or funds available, by the respective departments, agencies, establishments, and corporations in the executive branch, to such extent as the Director deems practicable, of the costs of the increases in basic compensation provided by this Act.

(b) Nothing contained in subsection (a) of this section

shall be held or considered to require (1) the separation from the service of any individual by reduction in force or other personnel action or (2) the placing of any individual in a leave-without-pay status.

Amend the title so as to read: "A bill to provide for improvement in the statutory salary systems of the Federal Government; to adopt and apply the principle of Government-private enterprise salary comparability; and for other purposes."

Union Calendar No. 1053

87TH CONGRESS
2D SESSION

H. R. 9531

[Report No. 2509]

A BILL

To amend the law relating to pay for postal employees.

By Mr. MORRISON

JANUARY 10, 1962

Referred to the Committee on Post Office and Civil Service

OCTOBER 2, 1962

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued Oct. 4, 1962
For actions of Oct. 3, 1962
87th-2d, No. 180

Contents

Air pollution.....34
Appropriations.....5,6,20
Area redevelopment.....20
Assistant Secretary.....14
Attache housing.....30
Census.....25
Communications.....4,29
Conflict of interest....21
Conservation.....31
Dairy products.....19
Drugs.....13,23
Electrification.....4
Employment.....14,31,33
Ethics.....21
Farm labor.....13
Farm program.....15,32
Foreign aid.....5
Foreign buildings.....30
Forest highways.....20
Forestry.....26
Grain.....17
Organization
  Executive.....35
  Legislative.....11
Legislative program.....13
Legislative record.....12
Manpower.....27
Minerals.....7
Monopolies.....3
Oceanography.....22
Pay increase.....13,14
Personnel...13,14,21,30,33
Pesticides.....18
Postal rates.....14
Public works.....8
Research.....26,34
Roads.....10
School lunch.....13
Small business.....28
Social security.....36
Statistics.....24
Trade fairs.....9
Transportation.....13,17
Wilderness.....1
World Food Congress...2,16
Youth employment.....31

HIGHLIGHTS: Sen. Miller criticized farm program. Sen. Humphrey commended dairy donation program. Sen. Morse inserted article on dangers in use of pesticides. Senate passed bill for holding World Food Congress. Sen. Burdick commended transportation industry in moving grain crop. Sen. Humphrey expressed regret over failure to pass Youth Conservation Corps bill. Sen. Morse defended location of forest fire research laboratories. Senate passed State-Justice-Commerce appropriation bill. House committee reported wilderness bill. House passed supplemental appropriation bill. House committee reported bill for holding World Food Congress. Both Houses received and Senate agreed to conference report on pay bill.

HOUSE

1. WILDERNESS. The Interior and Insular Affairs Committee reported with amendment H. R. 776, to establish a national wilderness preservation system for the permanent good of the whole people (H. Rept. 2521). p. 20787

2. FOOD CONGRESS. The Foreign Affairs Committee reported without amendment H. R. 13307, authorizing an appropriation to enable the U. S. to extend an invitation to the Food and Agriculture Organization of the U. N. to hold a World Food Congress in the U. S. in 1963 (H. Rept. 2524). p. 20787

3. MONOPOLIES. The Rules Committee reported a resolution for the consideration of H. J. Res. 636, the proposed Quality Stabilization Act. pp. 20655, 20787

4. ELECTRIFICATION. Began debate on the Senate amendment to H. R. 10708, to amend the Rural Electrification Act of 1936 so as to authorize REA to finance communication facilities for the transmission of sounds, signals, pictures,

writing, or signs as well as voice. p. 20728

Received from the Federal Power Commission a copy of a publication, "Typical Electric Bills, 1962." p. 20787

5. FOREIGN AID APPROPRIATION BILL, 1963. Conferees were appointed on this bill, H. R. 13175. Senate conferees have already been appointed. pp. 20654-5

6. SUPPLEMENTAL APPROPRIATION BILL, 1963. Passed with amendment this bill, H. R. 13290 (pp. 20656-81). Agreed to an amendment appropriating $250,000 for ARS for plant and animal disease and peet control (pp. 20667-70). As reported this bill includes $500,000 for the Bureau of Outdoor Recreation, and $3,850,000 for the revolving fund for the Virgin Islands Corporation.

7. MINERALS. Both Houses received from the President the semiannual report of the Office of Minerals Exploration. pp. 20681, 20789

8. PUBLIC WORKS. Passed with amendment H. R. 13273, the public works authorization bill. pp. 20681-719

9. TRADE FAIRS. Conferees were appointed on S. 3389, to promote the foreign commerce of the U. S. through the use of mobile trade fairs. Senate conferees have already been appointed. p. 20686

10. ROADS. Received from GAO a report on a review of selected activities of the Federal-aid highway program in Idaho. p. 20787

11. LEGISLATIVE ORGANIZATION. Rep. Halpern urged agreement to a resolution creating a Joint Committee on the Organization of the Congress. p. 20786

12. LEGISLATIVE RECORD. Several Representatives inserted statements on the legislative accomplishments of the 2nd session of the 87th Congress. pp. 20774-81, 20781-3.

13. LEGISLATIVE PROGRAM. Rep. Albert announced the following legislative program for Thurs.: H. R. 3985, import duty on certain bread; H. R. 12109, duty-free entry of certain grasses; H. R. 5260, processing tax on coconut oil; H. R. 5700, contract carriers; conference report on H. R. 11970, proposed Trade Expansion Act of 1962; conference report on H. R. 12648, the agricultural appropriation bill; conference report on H. R. 7927, the pay bill; conference report on S. 1552, the drug bill; S. 1123, to extend certain child labor provisions of the Fair Labor Standards Act to children employed in agriculture; and the conference report on H. R. 11665, the school lunch fund apportionment bill. p. 20755

SENATE

14. PERSONNEL. Both Houses received and the Senate agreed to the conference report on H. R. 7927, the Federal pay and postal rate increase bill (H. Rept. 2525)(pp. 20732-55, 20787, 20855-7). See Digest 174 for items of interest

The Foreign Relations Committee reported without amendment S. 3459, to authorize the appointment of one additional Assistant Secretary of State (S. Rept. 2272). p. 20790

Received from the Joint Committee on Reduction of Nonessential Federal Expenditures the report on Federal employment and pay for August 1962. pp. 20790-3

15. FARM PROGRAM. Sen. Miller referred to Sen. Humphrey's recent criticism of

87TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 2525

POSTAL SERVICE AND FEDERAL EMPLOYEES SALARY ACT OF 1962

OCTOBER 3, 1962.—Ordered to be printed

Mr. MURRAY, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H.R. 7927]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7927) to adjust postal rates, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Postal Service and Federal Employees Salary Act of 1962".

PART I—POSTAL SERVICE

TITLE I—POSTAL RATES

FIRST-CLASS MAIL

SEC. 101. Section 4253(a) of title 39, United States Code, is amended by striking out the words "four" and "three" wherever appearing in subsection (a) and inserting in lieu thereof the words "five" and "four", respectively.

AIRMAIL

SEC. 102. (a) Section 4303 of title 39, United States Code, is amended—

(1) by striking out the word "seven" in subsection (a) and inserting in lieu thereof the word "eight";

(2) by striking out the word "five" in subsection (b) and inserting in lieu thereof the word "six";

(3) by increasing each of the rates under the heading "First pound over 8 ounces or fraction thereof" in the table in subsection (d)(1) by 8 cents;

(4) by striking out paragraph (2) of subsection (d) and inserting in lieu thereof the following:

"(2) The rate of postage on air mail of the first class weighing in excess of eight ounces shall be the rate provided by subsection (a) for each ounce not in excess of eight ounces, plus 5 cents for each ounce or fraction thereof in excess of eight ounces, but in no case less than the rate provided under paragraph (1) for air parcels."

SECOND CLASS WITHIN COUNTY OF PUBLICATION

SEC. 103. Subsections (a) and (b) of section 4358 of title 39, United States Code, are amended to read as follows:

"(a) Except as provided in subsection (b), the rate of postage on publications admitted as second-class mail when addressed for delivery within the county in which they are published and entered is as follows:

"[*In cents*]

	"*Mailed after January 6, 1963, and prior to January 1, 1965*"	*Mailed after December 31, 1964*
"*Rate per pound*"	1	1¼
Minimum charge per piece	⅛	⅛

"(b) The rate of postage on the following publications admitted as second-class mail when mailed for delivery, within the county in which they are published and entered, by letter carrier at the office of mailing, shall be—

"(1) publications issued more frequently than weekly, one cent a copy;

"(2) publications issued less frequently than weekly—

"(A) weighing two ounces or less, one cent a copy;

"(B) weighing more than two ounces, two cents a copy."

SECOND CLASS BEYOND COUNTY OF PUBLICATION

SEC. 104. (a) Section 4359(b) of title 39, United States Code, is amended to read as follows:

"(b)(1) Except as provided by paragraphs (2), (3), and (4), the rates of postage on publications mailed in accordance with subsection (a) are as follows:

"[In cents]

	"Mailed after January 6, 1963, and prior to January 1, 1964	*Mailed during calendar year 1964*	*Mailed after December 31, 1964*
"Rate per pound:			
Advertising portion:			
Zones 1 and 2	*3.4*	*3.8*	*4.2*
Zone 3	*4.4*	*4.8*	*5.2*
Zone 4	*6.4*	*6.8*	*7.2*
Zone 5	*8.4*	*8.8*	*9.2*
Zone 6	*10.4*	*10.8*	*11.2*
Zone 7	*12.0*	*12.0*	*12.0*
Zone 8	*14.0*	*14.0*	*14.0*
Nonadvertising portion	*2.6*	*2.7*	*2.8*
Minimum charge per piece	*.6*	*.8*	*1.0*

"(2) The postage on classroom publications is 60 per centum of the postage computed in accordance with paragraph (1).

"(3) The rates of postage on publications of a qualified nonprofit organization mailed in accordance with subsection (a) are as follows:

"[In cents]

	"Mailed after January 6, 1963, and prior to January 1, 1964	*Mailed during calendar year 1964*	*Mailed after December 31, 1964*
"Rate per pound	*1.6*	*1.7*	*1.8*
Minimum charge per piece	*.125*	*.125*	*.125*

"(4) In lieu of the minimum charge per piece prescribed by paragraph (1), the minimum charge per piece to be paid by the following publications (other than publications to which paragraph (2) or paragraph (3) is applicable) shall be as follows—

"(A) publications mailing fewer than 5,000 copies per issue outside the county of publication—one-half cent per piece;

"(B) any issue of a publication the advertising portion of which does not exceed 5 per centum of the entire issue—.55 of a cent per piece when mailed after January 6, 1963, and prior to January 1, 1964, .65 of a cent per piece when mailed during calendar year 1964, and .75 of a cent per piece when mailed after December 31, 1964."

(b) Section 4359(e)(2) of title 39, United States Code, is amended by striking out "and fraternal," and inserting in lieu thereof the following: "fraternal, and associations of rural electric cooperatives, and not to exceed one publication published by the official highway agency of a State which meets all of the requirements of section 4354 and which contains no advertising".

(c) Section 4360 of title 39, United States Code, is repealed.

SECOND-CLASS TRANSIENT MAIL

SEC. 105. Section 4362 of title 39, United States Code, is amended by striking out "two cents" and inserting in lieu thereof "four cents".

CONTROLLED CIRCULATION PUBLICATIONS

SEC. 106. Section 4422 of title 39, United States Code, is amended by striking out "12 cents a pound or fraction thereof" and inserting in lieu thereof the following: "12½ cents a pound or fraction thereof when mailed after January 6, 1963, and prior to January 1, 1964, 13 cents a pound or fraction thereof when mailed during calendar year 1964, and 13½ cents a pound or fraction thereof when mailed after December 31, 1964".

THIRD-CLASS MAIL

SEC. 107. Section 4452 of title 39, United States Code, is amended—

(1) by amending subsections (a), (b), and (c) to read as follows:

"(a) Except as provided in subsection (c) of this section, and subject to the minimum charge per piece provided in subsection (b) of this section, the postage rates on third-class mail are as follows:

"Type of mailing	*Rate*	*Unit*
	Cents	
(1) Individual piece	*4*	*First 2 ounces or fraction thereof.*
	2	*Each additional ounce or fraction thereof.*
(2) Bulk mailings under subsec. (e) of this section of:		
(A) Books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions and plants.	*12*	*Each pound or fraction thereof.*
(B) Other matter	*18*	*Do.*

"(b) Matter mailed in bulk under subsection (e) of this section is subject to a minimum charge for each piece of 2⅝ cents when mailed subsequent to January 6, 1963, and prior to January 1, 1964, 2⅞ cents when mailed during calendar year 1964, and 2⅛ cents when mailed after December 31, 1964, except that the minimum charge per piece on such matter mailed by qualified nonprofit organizations is 1¼ cents.

"(c) The pound rates on matter mailed in bulk under subsection (e) by qualified nonprofit organizations are 50 per centum of the pound rates provided by subsection (a)."

(2) by striking out "subsections (a) and (b) of" wherever it appears in subsection (d).

(3) by striking out "$20" and "twenty pounds" in subsection (e) and inserting in lieu thereof "$30" and "fifty pounds", respectively, effective January 1, 1963.

FOURTH-CLASS MAIL

SEC. 108. Section 4552(b)(5) of title 39, United States Code, relating to size and weight limitations on fourth-class matter mailed to or from

certain areas, is amended by striking out the words "Territory of Hawaii" and inserting in lieu thereof the words "States of Alaska and Hawaii,".

SEC. 109. Section 4554 of title 39, United States Code (relating to books, films, and similar educational materials), is amended by striking out that part of subsection (a) which precedes paragraph (1) and inserting in lieu thereof the following:

"(a) Except as provided in subsection (b) of this section, the postage rate is 9½ cents a pound for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof when mailed after January 6, 1963 and prior to January 1, 1964, and 10 cents for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof when mailed after December 31, 1963, except that the rate now or hereafter prescribed for third- or fourth-class matter shall apply in every case where such rate is lower than the rate prescribed in this subsection on—".

FEES FOR SECOND-CLASS ENTRY AND REGISTRATION

SEC. 110. Section 4357 of title 39, United States Code, is amended—

(1) by striking out "$25" in subsection (a)(1) and inserting in lieu thereof "$30";

(2) by striking out "$50" in subsection (a)(2) and inserting in lieu thereof "$60";

(3) by striking out "$100" in subsection (a)(3) and inserting in lieu thereof "$120";

(4) by striking out "$10" in the first sentence of subsection (b) and inserting in lieu thereof "$15";

(5) by striking out the second sentence of subsection (b) and inserting in lieu thereof the following: "The fee for each additional entry is $15, except that if the additional entry is made within zones 3 to 8, inclusive (determined from the office of publication and entry), of the zones established for purposes of fourth-class mail, such fee shall be $50.";

(6) by striking out "$20" in subsection (c) and inserting in lieu thereof "$25"; and

(7) by striking out the last sentence in subsection (d).

PERMIT FEES FOR MAILING WITHOUT STAMPS

SEC. 111. Section 4052(b) of title 39, United States Code, is amended by striking out "$10" and inserting in lieu thereof "$15".

FIXING OF FEES BY POSTMASTER GENERAL

SEC. 112. Section 507 of title 39, United States Code, is amended by adding at the end thereof the following:

"(12) the issuance of a permit for prepayment of postage without stamps.

"(13) the entry, re-entry, or additional entry of a periodical publication as second-class mail.

"(14) the registry of a news agent.

Fees prescribed by the Postmaster General under paragraphs (12) to (14), inclusive, shall be collected in lieu of the corresponding fees established under section 4052(b) or 4357."

KEYS AND OTHER SMALL ARTICLES

SEC. 113. Section 4651(b) of title 39, United States Code, is amended by striking out "5 cents" and inserting in lieu thereof "6 cents".

METHOD OF DETERMINING GROSS RECEIPTS

SEC. 114. Section 711(c) of title 39, United States Code, is amended by striking out "Public Law 85–426" and inserting in lieu thereof "any Act of Congress enacted on or after May 27, 1958".

STANDARDS FOR DETERMINATION OF QUALIFICATIONS OF APPLICANTS FOR POSITIONS OF POSTMASTER

SEC. 115. In evaluating the qualifications of applicants for positions of postmaster, the United States Civil Service Commission shall give, with respect to each applicant, all due and appropriate consideration to experience in the postal field service, including seniority, length of service level of difficulty and responsibility of work, attendance, awards and commendations, and performance rating.

TITLE II—POSTAL POLICY

SEC. 201. (a) Section 2302(c)(4) of title 39, United States Code, is amended by striking out "deemed to be attributable to the performance of public services under section 2303(b) of this title" and inserting in lieu thereof "determined under section 2303 of this title to be attributable to the performance of public services".

(b) Section 2303(a) of title 39, United States Code, is amended—

(1) by amending the headings so as to read

"§ 2303. Identification of public services and costs thereof";

(2) by striking out paragraph 1(A) and inserting in lieu thereof the following:

"(A) reduced rates for certain publications as provided by section 4359 of this title;";

(3) by striking out paragraph 1(C) and inserting in lieu thereof the following:

"(C) second class mailings at postage rates as provided by section 4358 of this title;"; and

(4) by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) 10 per centum of the gross cost of the operation of third-class post offices and the star route system, and 20 per centum of the gross cost of the operation of fourth-class post offices and rural routes."

(5) by adding at the end thereof the following new sentence: "The terms 'total loss' and 'loss' as used in this section mean the amounts by which the total allocated costs incurred by the postal establishment in the performance of the public services enumerated in this subsection exceed the total revenues received by the postal establishment for the performance of such public services."

(c) Section 2303 (b) of title 39, United States Code, is amended to read as follows:

"(b) The Postmaster General shall report to the Congress, on or before February 1 of each year beginning with the year 1963, the estimated amount of the losses or costs (or percentage of costs) specified in subsection

(a) incurred by the postal establishment in the then current fiscal year in the performance of the public services enumerated in such subsection. The aggregate amount of the losses or costs (or percentage of costs) specified in subsection (a), incurred by the postal establishment in any fiscal year in the performance of such public services, shall be excluded from the total cost of operating the postal establishment for purposes of adjustment of postal rates and fees, including any adjustment pursuant to the provisions of section 207(b) of the Act of February 28, 1925, relating to reformation of classification (39 U.S.C., 1958 ed. 247)."

(d) The table of contents of chapter 27 of title 39, United States Code, is amended by striking out

"2303. Identification of and appropriations for public services."

and inserting in lieu thereof:

"2303. Identification of public services and costs thereof.".

TITLE III—MISCELLANEOUS

ELIGIBILITY OF CERTAIN ORGANIZATIONS FOR SECOND-CLASS ENTRY

SEC. 301. Section 4355(a) of title 39, United States Code is amended—

(1) by inserting after the words "State board of health" in subparagraph (3) a comma and the words "or a State industrial development agency",

(2) by striking out the period at the end of subparagraph (9) and inserting in lieu of such period a semicolon and the word "or"; and

(3) by adding at the end thereof the following new subparagraph (10):

"(10) published by any public or nonprofit private elementary or secondary institution of learning or its administrative or governing body.".

EDUCATIONAL MATERIALS

SEC. 302. Section 4554 of title 39, United States Code, is amended—

(1) by striking out paragraph (5) of subsection (a) and inserting in lieu thereof the following:

"(5) sound recordings, including incidental announcements of recordings and guides or scripts prepared solely for use with such recordings;";

(2) by striking out the period at the end of paragraph (6) of subsection (a) and inserting in lieu thereof a semicolon;

(3) by adding at the end of subsection (a) the following:

"(7) printed educational reference charts, permanently processed for preservation; and

"(8) looseleaf pages, and binders therefor, consisting of medical information for distribution to doctors, hospitals, medical schools, and medical students."

(4) by striking out the word "students' " immediately preceding the word "notations" in paragraph (1) of subsection (a) and in paragraph (2) of subsection (b);

(5) by inserting after the words "loaned or exchanged" in paragraph (1) of subsection (b) the following: "(including cooperative processing by libraries)";

(6) by striking out:

"(D) bound volumes of periodicals;
"(E) phonograph recordings; and"
in paragraph (2) of subsection (b) and inserting in lieu thereof:
"(D) periodicals, whether bound or unbound;
"(E) sound recordings; and"; and

(7) by striking out "and catalog of those items" in subsection (c) and inserting in lieu thereof "scientific or mathematical kits, instruments, or other devices and catalogs of those items, and guides or scripts prepared solely for use with such materials".

READING AND OTHER MATERIALS FOR BLIND PERSONS

SEC. 303. Sections 4653 and 4654 of title 39, United States Code, are amended to read as follows:

"**§ 4653. Publications for blind persons**

"(a) The following matter may be mailed free of postage—
"(1) books, pamphlets, and other reading matter, including pages thereof:
"(A) published (whether prepared by hand, or printed) either in raised characters or in sightsaving-size type, or in the form of sound recordings, for use of blind persons;
"(B) in packages not exceeding the weight prescribed by the Postmaster General;
"(C) containing no advertising or other matter whatsoever;
"(D) unsealed;
"(E) sent—
"(i) by an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, as a loan to blind readers, or when returned by the blind reader to the lender; or
"(ii) to a blind person without cost to the blind person; or
"(iii) to an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, to be furnished to a blind person without cost to such blind person.
"(2) magazines, periodicals, and other regularly issued publications:
"(A) published (whether prepared by hand, or printed) either in raised characters or in sightsaving-size type, or in the form of sound recordings, for use of blind persons;
"(B) containing no advertising;
"(C) for which no subscription fee is charged.

"(b) There may be mailed at the rate of postage of 1 cent for each pound or fraction thereof—
"(1) books, pamphlets, and other reading matter including pages thereof:
"(A) published (whether prepared by hand, or printed) either in
"(A) published (whether prepared by hand, or printed) either in raised characters or in sightsaving-size type, or in the form of sound recordings, for use of blind persons;
"(B) in packages not exceeding the weight prescribed by the Postmaster General;

"(C) containing no advertising or other matter whatsoever;
"(D) unsealed;
"(E) sent—
"(i) by an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, on a rental basis to blind readers, or when returned by the blind reader to such organizations, at a price not greater than the cost price thereof; or
"(ii) to a blind person at a price not greater than the cost price thereof; or
"(iii) to an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, to be furnished to a blind person at a price not greater than the cost price thereof.

"(2) magazines, periodicals, and other regularly issued publications:
"(A) published (whether prepared by hand, or printed) either in raised characters or in sightsaving-size type, or in the form of sound recordings, for use of blind persons;
"(B) containing no advertising;
"(C) when furnished by an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, to a blind person, at a price not greater than the cost price thereof.

"§ 4654. Reproducers, sound recordings, and other materials and appliances for the preparation of reading matter for blind persons

"(a) Reproducers, or parts thereof, for sound recordings for blind persons which are the property of the United States Government may be mailed free of postage when sent for repair, or returned afer repair—
"(1) by an organization, institution, public library, or association for blind persons, not conducted for private profit;
"(2) by a blind person to such an agency not conducted for private profit;
"(3) from such an agency to an organization, institution, public library, or association for blind persons not conducted for private profit; or
"(4) to a blind person.

"(b) The Postmaster General may extend the free mailing privilege provided by subsection (a) of this section to reproducers or parts thereof for sound recordings for blind persons, braille writers and other appliances for blind persons or parts thereof, that are the property of—
"(1) State governments or subdivisions thereof;
"(2) public libraries;
"(3) private agencies for the blind not conducted for private profit; or
"(4) blind individuals.

"(c) The Postmaster General may also permit the mailing free of postage of paper, records, tapes, and other materials for use by the recipients for the production (whether by hand or printed) of reading matter either in raised characters or sightsaving-size type, or in the form

of sound recordings, for use of blind persons, where such materials are the property of—

"(1) State governments or subdivisions thereof;

"(2) public libraries;

"(3) private agencies for the blind not conducted for private profit; or

"(4) blind individuals."

REPEALS AND TECHNICAL AMENDMENTS

SEC. 304. (a) The following provisions of law are repealed:

(1) The third proviso in section 3 of the Act of October 30, 1951, as amended by the Act of June 23, 1959 (73 Stat. 89; Public Law 86–56);

(2) Sections 204(d), 204(e)(1), and 204(e)(2) of the Postal Rate Revision and Federal Employees Salary Act of 1948, as amended by the Act of July 14, 1960 (74 Stat. 479; Public Law 86–644);

(3) Sections 4361 and 4652 of title 39, United States Code.

(b) Section 4359(a) of title 39, United States Code, is amended by striking out "4358, 4361, and 4362" and inserting in lieu thereof "4358 and 4362".

(c) Section 4451(d) of title 39, United States Code, is amended by striking out "(a)(2)" and inserting in lieu thereof "(a)(3)".

COMMUNIST POLITICAL PROPAGANDA

SEC. 305. (a) Chapter 51 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"§ 4008. Communist political propaganda

"(a) Mail matter, except sealed letters, which originates or which is printed or otherwise prepared in a foreign country and which is determined by the Secretary of the Treasury pursuant to rules and regulations to be promulgated by him to be 'communist political propaganda', shall be detained by the Postmaster General upon its arrival for delivery in the United States, or upon its subsequent deposit in the United States domestic mails, and the addressee shall be notified that such matter has been received and will be delivered only upon the addressee's request, except that such detention shall not be required in the case of any matter which is furnished pursuant to subscription or which is otherwise ascertained by the Postmaster General to be desired by the addressee. If no request for delivery is made by the addressee within a reasonable time, which shall not exceed sixty days, the matter detained shall be disposed of as the Postmaster General directs.

"(b) For the purposes of this section, the term 'communist political propaganda' means political propaganda, as defined in section 1(j) of the Foreign Agents Registration Act of 1938, as amended (22 U.S.C. 611(j)), issued by or on behalf of any country with respect to which there is in effect a suspension or withdrawal of tariff concessions pursuant to section 5 of the Trade Agreements Extension Act of 1951 or section 231 of the Trade Expansion Act of 1962, or any country from which any type of foreign assistance is withheld pursuant to section 620(f) of the Foreign Assistance Act of 1961, as amended.

"(c) The provisions of this section shall not be applicable with respect to (1) matter addressed to any United States Government agency, or any

public library, or to any college, university, graduate school, or scientific or professional institution for advanced studies, or any official thereof, or (2) material whether or not 'communist political propaganda' addressed for delivery in the United States pursuant to a reciprocal cultural international agreement under which the United States Government mails an equal amount of material for delivery in any country described in subsection (b)."

(b) The table of contents of chapter 51 of title 39, United States Code, is amended by adding at the end thereof the following:

"4008. Communist political propaganda."

EFFECTIVE DATE

SEC. 306. Except as otherwise provided, the foregoing provisions of this part shall become effective on January 7, 1963.

NOTICE WITH RESPECT TO OBSCENE MATTER DISTRIBUTED BY MAIL AND DETENTION THEREOF

SEC. 307. In order to alert the recipients of mail and the general public to the fact that large quantities of obscene, lewd, lascivious, and indecent matter are being introduced into this country from abroad and disseminated in the United States by means of the United States mails, the Postmaster General shall publicize such fact (1) by appropriate notices posted in post offices, and (2) by notifying recipients of mail, whenever he deems it appropriate in order to carry out the purposes of this section, that the United States mails may contain such obscene, lewd, lascivious, or indecent matter. Any person may file a written request with his local post office to detain obscene, lewd, lascivious, or indecent matter addressed to him, and the Postmaster General shall detain and dispose of such matter for such period as the request is in effect. The Postmaster General shall permit the return of mail containing obscene, lewd, lascivious, or indecent matter, to local post offices, without cost to the recipient thereof. Nothing in this section shall be deemed to authorize the Postmaster General to open, inspect, or censor any mail except on specific request by the addressee thereof. The Postmaster General is authorized to prescribe such regulations as he may deem appropriate to carry out the purposes of this section.

PART II—FEDERAL SALARY REFORM

TITLE I—GENERAL POLICY

SHORT TITLE

SEC. 501. This part may be cited as the "Federal Salary Reform Act of 1962".

DECLARATION OF POLICY

SEC. 502. The Congress hereby declares that, whereas the functions of a Federal salary system are to fix salary rates for the services rendered by Federal employees so as to make possible the employment of persons well qualified to conduct the Government's programs and to control expenditures of public funds for personal services with equity to the employee and to the taxpayer, and whereas fulfillment of these functions is essential to the development and maintanance of maximum proficiency in the civilian

services of Government, then, accordingly, Federal salary fixing shall be based upon the principles that—

(a) There shall be equal pay for substantially equal work, and pay distinctions shall be maintained in keeping with work and performance distinctions; and

(b) Federal salary rates shall be comparable with private enterprise salary rates for the same levels of work.

Salary levels for the several Federal statutory salary systems shall be interrelated, and salary levels shall be set and henceforth adjusted in accordance with the above principles.

IMPLEMENTATION OF POLICY

SEC. 503. In order to give effect to the policy stated in section 502, the President: (1) shall direct such agency or agencies, as he deems appropriate, to prepare and submit to him annually a report which compares the rates of salary fixed by statute for Federal employees with the rates of salary paid for the same levels of work in private enterprise as determined on the basis of appropriate annual surveys conducted by the Bureau of Labor Statistics, and, after seeking the views of such employee organizations as he deems appropriate and in such manner as he may provide, (2) shall report annually to the Congress (a) this comparison of Federal and private enterprise salary rates and (b) such recommendations for revision of statutory salary schedules, salary structures, and compensation policy, as he deems advisable.

SEC. 504. (a) Whenever the President shall find that the salary rates in private enterprise for one or more occupations in one or more areas or locations are so substantially above the salary rates of statutory pay schedules as to handicap significantly the Government's recruitment or retention of well-qualified persons in positions compensated under (1) section 603(b) of the Classification Act of 1949, as amended (5 U.S.C. 1113(b)), (2) the provisions of part III of title 39, United States Code, relating to personnel in the postal field service, (3) the pay scales for physicians, dentists, and nurses in the Department of Medicine and Surgery of the Veterans' Administration under chapter 73 of title 38, United States Code, or (4) sections 412 and 415 of the Foreign Service Act of 1946, as amended (22 U.S.C. 867 and 870), he may establish for such areas or locations higher minimum rates of basic compensation for one or more grades or levels, occupational groups, series, classes, or subdivisions thereof, and may make corresponding increases in all step rates of the salary range for each such grade or level: Provided, That in no case shall any minimum salary rate so established exceed the seventh salary rate prescribed by law for the grade or level. The President may authorize the exercise of the authority conferred upon him by this section by the Civil Service Commission or, in the case of employees not subject to the civil service laws and regulations, by such other agency or agencies as he may designate.

(b) Within the limitations specified in subsection (a), rates of basic compensation established under such subsection may be revised from time to time by the President or by such agency or agencies as he may designate. Such actions or revisions shall have the force and effect of law.

(c) Any increase in rate of basic compensation established under this section shall not be regarded as an "equivalent increase" in compensation within the meaning of section 701(a) of the Classification Act of 1949, as amended, and section 3552 of title 39 of the United States Code.

SEC. 505. The functions, duties, and regulations of the departments and the Civil Service Commission with respect to this title, the Classification Act of 1949, as amended, the provisions of part III of title 39, United States Code, relating to personnel in the postal field service, the Foreign Service Act of 1946, as amended, and the provisions of chapter 73 of title 38 of the United States Code relating to personnel of the Department of Medicine and Surgery in the Veterans' Administration, shall be subject to such policies and rules as the President may issue. Among other things, the President's policies and rules mny provide for—

(1) preparing and reporting to him the annual comparison of Federal salary rates with private enterprise rates,

(2) obtaining and reporting to him the views of employee organizations on such annual comparison, and on other salary matters,

(3) reviewing and reporting to him on the adequacy of the Federal statutory salary structures for the Federal programs to which they apply,

(4) reviewing the relationship of Federal statutory salary rates and private enterprise salary rates in specific occupation and local areas, and

(5) providing step-increases in recognition of high quality performance and providing for properly relating supervisory salary rates paid under one system to those of subordinates paid under another system.

TITLE II—PAY SYSTEM OF THE CLASSIFICATION ACT OF 1949

SHORT TITLE

SEC. 601. This title may be cited as the "Classification Act Amendments of 1962".

BASIC COMPENSATION SCHEDULES

SEC. 602. (a) Section 603(b) of the Classification Act of 1949, as amended (74 Stat. 298; 5 U.S.C. 1113(b)), is amended to read as follows:

"(b) The compensation schedules for the General Schedule shall be as follows:

"COMPENSATION SCHEDULE I

"(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act, and ending immediately prior to the applicable initial effective date of Compensation Schedule II set forth below)

"Grade	Per annum rates and steps									
	1	2	3	4	5	6	7	8	9	10
GS-1	$3,245	$3,350	$3,455	$3,560	$3,665	$3,770	$3,875	$3,980	$4,085	$4,190
GS-2	3,560	3,665	3,770	3,875	3,980	4,085	4,190	4,295	4,400	4,505
GS-3	3,820	3,925	4,030	4,135	4,240	4,345	4,455	4,580	4,705	4,830
GS-4	4,110	4,250	4,390	4,530	4,670	4,810	4,950	5,090	5,230	5,370
GS-5	4,565	4,725	4,885	5,045	5,205	5,365	5,525	5,685	5,845	6,005
GS-6	5,035	5,205	5,375	5,545	5,715	5,885	6,055	6,225	6,395	6,565
GS-7	5,540	5,725	5,910	6,095	6,280	6,465	6,650	6,835	7,020	7,205
GS-8	6,090	6,295	6,500	6,705	6,910	7,115	7,320	7,525	7,730	7,935
GS-9	6,675	6,900	7,125	7,350	7,575	7,800	8,025	8,250	8,475	8,700
GS-10	7,290	7,535	7,780	8,025	8,270	8,515	8,760	9,005	9,250	9,495
GS-11	8,045	8,310	8,575	8,840	9,105	9,370	9,635	9,900	10,165	----------
GS-12	9,475	9,790	10,105	10,420	10,735	11,050	11,365	11,680	11,995	----------
GS-13	11,150	11,515	11,880	12,245	12,610	12,975	13,340	13,705	14,070	----------
GS-14	12,845	13,270	13,695	14,120	14,545	14,970	15,395	15,820	16,245	----------
GS-15	14,565	15,045	15,525	16,005	16,485	16,965	17,445	17,925	----------	----------
GS-16	16,000	16,500	17,000	17,500	18,000	----------	----------	----------	----------	----------
GS-17	18,000	18,500	19,000	19,500	20,000	----------	----------	----------	----------	----------
GS-18	20,000	----------	----------	----------	----------	----------	----------	----------	----------	----------

"COMPENSATION SCHEDULE II

"(To be effective on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

"Grade	Per annum rates and steps									
	1	2	3	4	5	6	7	8	9	10
GS-1	$3,305	$3,410	$3,515	$3,620	$3,725	$3,830	$3,935	$4,040	$4,145	$4,250
GS-2	3,620	3,725	3,830	3,935	4,040	4,145	4,250	4,355	4,460	4,565
GS-3	3,880	3,985	4,090	4,195	4,300	4,405	4,525	4,650	4,775	4,900
GS-4	4,215	4,355	4,495	4,635	4,775	4,915	5,055	5,195	5,335	5,475
GS-5	4,690	4,850	5,010	5,170	5,330	5,490	5,650	5,810	5,970	6,130
GS-6	5,235	5,410	5,585	5,760	5,935	6,110	6,285	6,460	6,635	6,810
GS-7	5,795	5,990	6,185	6,380	6,575	6,770	6,965	7,160	7,355	7,550
GS-8	6,390	6,600	6,810	7,020	7,230	7,440	7,650	7,860	8,070	8,280
GS-9	7,030	7,260	7,490	7,720	7,950	8,180	8,410	8,640	8,870	9,100
GS-10	7,690	7,945	8,200	8,455	8,710	8,965	9,220	9,475	9,730	9,985
GS-11	8,410	8,690	8,970	9,250	9,530	9,810	10,090	10,370	10,650	----
GS-12	9,980	10,310	10,640	10,970	11,300	11,630	11,960	12,290	12,620	----
GS-13	11,725	12,110	12,495	12,880	13,265	13,650	14,035	14,420	14,805	----
GS-14	13,615	14,065	14,515	14,965	15,415	15,865	16,315	16,765	17,215	----
GS-15	15,665	16,180	16,695	17,210	17,725	18,240	18,755	19,270	----	----
GS-16	16,000	16,500	17,000	17,500	18,000	----	----	----	----	----
GS-17	18,000	18,500	19,000	19,500	20,000	----	----	----	----	----
GS-18	20,000	----	----	----	----	----	----	----	----	----

".

(b) The rates of basic compensation of officers and employees to whom Compensation Schedule I of the General Schedule set forth in subsection (a) of this section applies shall, subject to the provisions of paragraph (10) of this subsection, be initially adjusted, effective on the first day of the first pay period beginning on or after the date of enactment of this Act, as follows:

(1) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the first, second, third, fourth, fifth, sixth, or seventh scheduled rate, or at the first or second longevity rate of a grade below grade 4 of the General Schedule of the Classification Act of 1949, as amended, he shall be advanced as follows: Employees in step 1 to step 2 of the new schedule; step 2 to step 3; step 3 to step 4; step 4 to step 5; step 5 to step 6; step 6 to step 7; step 7 to step 8; the first longevity step to step 9; and the second longevity step to step 10.

(2) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the third longevity rate of a grade below grade 4 of the General Schedule of the Classification Act of 1949, as amended, he shall receive basic compensation at the highest rate of the appropriate grade plus an amount equal to the value of the maximum within grade increment provided for that grade in effect on and after such day.

(3) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the first, second, third, fourth, fifth, sixth, or seventh scheduled rate, or at the first, second, or third longevity rate, of grade 4, 5, 6, 7, 8, 9, or 10 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, fifth, sixth, seventh, eighth, ninth, or tenth rate of the appropriate grade in effect on and after such day.

(4) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins

on or after the date of enactment of this Act at the first, second, third, fourth, fifth, or sixth scheduled rate, or at the first, second, or third longevity rate of grade 11, 12, 13, or 14 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, fifth, sixth, seventh, eighth, or ninth rate of the appropriate grade in effect on and after such day.

(5) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the first, second, third, fourth, or fifth scheduled rate, or at the first, second, or third longevity rate of grade 15 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, fifth, sixth, seventh, or eighth rate of such grade in effect on and after such day.

(6) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period, which begins on or after the date of enactment of this Act at the first, second, third, fourth, or fifth rate of grade 16 or grade 17 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, or fifth rate of the appropriate grade in effect on and after such day.

(7) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding rate of such grade in effect on and after such day.

(8) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at a rate between two scheduled or two longevity rates, or between a scheduled and a longevity rate, of a grade of the General Schedule, he shall receive a rate of basic compensation at the higher of the two corresponding rates, as specified in paragraphs (1) through (6) of this subsection, in effect on and after such day.

(9) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at a rate in excess of the maximum longevity rate for his grade, or in excess of the maximum scheduled rate for his grade if there is no longevity rate for his grade, he shall receive (A) the rate of the new schedule, in effect on and after such day, prescribed by paragraphs (1) through (6) of this subsection for employees at the maximum longevity rate or at the maximum scheduled rate, as the case may be, for his grade, or (B) if such rate is less than his existing rate, (i) the lowest rate of the new schedule or his grade which equals or exceeds his existing rate or (ii) if there is no such rate, his existing rate.

(10) Service of officers and employees performed immediately preceding the first day of the first pay period which begins on or after the date of enactment of this Act, in the grade of the General Schedule in which their respective positions were placed on such day, shall be counted toward not to exceed one step increase under the

time in grade provisions of subsection (a) of section 701 of the Classification Act of 1949 as amended by this Act.

(11) If the officer or employee, immediately prior to the first day of the first pay period which began on or after the date of enactment of this Act, is receiving, pursuant to paragraph (4) of section 2(b) of the Federal Employees Salary Increase Act of 1955, an existing aggregate rate of compensation determined under section 208(b) of the Act of September 1, 1954 (68 Stat. 1111; Public Law 763, Eighty-third Congress), plus the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, by section 2 of the Federal Employees Salary Increase Act of 1958, and by section 112 of the Federal Employees Salary Increase Act of 1960, he shall receive an aggregate rate of compensation equal to the sum of (A) his existing aggregate rate of compensation determined under such section 208(b) of the Act of September 1, 1954, (B) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, (C) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1958, (D) the amount of the increase provided by section 112 of the Federal Employees Salary Increase Act of 1960, and (E) the amount of the increase made by this section in the maximum rate of his grade, until (i) he leaves his position, or (ii) he is entitled to receive aggregate compensation at a higher rate by reason of the operation of this Act or any other provision of law; but, when such position becomes vacant, the aggregate rate of compensation of any subsequent appointee thereto shall be fixed in accordance with applicable provisions of law. Subject to clauses (i) and (ii) of the immediately preceding sentence of this paragraph, the amount of the increase provided by this section shall be held and considered for the purpose of section 208(b) of such Act of September 1, 1954, to constitute a part of the existing rate of compensation of such employee.

(c) The rates of basic compensation of officers and employees to whom Compensation Schedule II of the General Schedule set forth in subsection (a) of this section applies shall be initially adjusted, effective as of the first day of the first pay period beginning on or after January 1, 1964, as follows:

(1) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after January 1, 1964, at one of the rates of a grade in the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding rate in effect on and after such date.

(2) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after January 1, 1964, at a rate between two rates of a grade in the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the higher of the two corresponding rates in effect on and after such date.

(3) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after January 1, 1964, at a rate in excess of the maximum rate for his grade, as in effect on and after such date, he shall receive (A) the rate of the new schedule prescribed for employees at the maximum rate for his grade, or (B) his existing rate of basic compensation if such existing rate is higher.

(4) If the officer or employee, immediately prior to the first day of the first pay period which begins on or after January 1, 1964, is receiving, pursuant to paragraph (4) of section 2(b) of the Federal Employees Salary Increase Act of 1955, an existing aggregate rate of compensation determined under section 208(b) of the Act of September 1, 1954 (68 Stat. 1111; Public Law 763, Eighty-third Congress), plus the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, by section 2 of the Federal Employees Salary Increase Act of 1958, and by section 112 of the Federal Employees Salary Increase Act of 1960, and the amount of the initial increase provided by this section, he shall receive an aggregate rate of compensation equal to the sum of (A) his existing aggregate rate of compensation determined under such section 208(b) of the Act of September 1, 1954, (B) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, (C) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1958, (D) the amount of the increase provided by section 112 of the Federal Employees Salary Increase Act of 1960, and (E) the amount of the increase made by this section in the maximum rate of his grade, until (i) he leaves his position, or (ii) he is entitled to receive aggregate compensation at a higher rate by reason of the operation of this Act or any other provision of law; but, when such position becomes vacant, the aggregate rate of compensation of any subsequent appointee thereto shall be fixed in accordance with applicable provisions of law. Subject to clauses (i) and (ii) of the immediately preceding sentence of this paragraph, the amount of the increase provided by this section shall be held and considered for the purpose of section 208(b) of such Act of September 1, 1954, to constitute a part of the existing rate of compensation of such employee.

STEP-INCREASES

SEC. 603. Title VII of the Classification Act of 1949, as amended (5 U.S.C. 1121–1125), relating to step-increases under such Act, is amended to read as follows:

"TITLE VII—STEP-INCREASES

"SEC. 701. (a) Each officer or employee compensated on a per annum basis, and occupying a permanent position within the scope of the compensation schedules fixed by this Act, who has not attained the maximum rate of compensation for the grade in which his position is placed, shall be advanced in compensation successively to the next higher rate within the grade at the beginning of the next pay period following the completion of (1) each fifty-two calendar weeks of service in salary rates 1, 2, and 3, or (2) each one hundred and four calendar weeks of service in salary rates 4, 5, and 6, or (3) each one hundred and fifty-six calendar weeks of service in salary rates, 7, 8, and 9, subject to the following conditions:

"(A) That no equivalent increase in compensation from any cause was received during such period;

"(B) That his work is of an acceptable level of competence as determined by the head of the department; and

"(C) That the benefit of successive step-increases shall be preserved, under regulations issued by the Commission, for officers and employees whose continuous service is interrupted in the public interest by service with the Armed Forces or by service in essential non-Government civilian employment during a period of war or national emergency.

"(b) Any increase in compensation granted by law shall not be construed to be an equivalent increase in compensation within the meaning of subsection (a).

"SEC. 702. (a) Within the limit of available appropriations and in accordance with regulations prescribed by the Commission, the head of each department is authorized to grant additional step-increases in recognition of high quality performance above that ordinarily found in the type of position concerned. Step-increases under this section shall be in addition to those under section 701 and shall not be construed to be an equivalent increase in compensation within the meaning of subsection (a) of section 701.

"(b) No officer or employee shall be eligible under this section for more than one such additional step-increase within any period of fifty-two weeks.

"SEC. 703. This title shall not aply to the compensation of persons appointed by the President, by and with the advice and consent of the Senate."

GENERAL COMPENSATION RULES

SEC. 604. (a) Section 802(b) of the Classification Act of 1949, as amended (5 U.S.C. 1132(b)), relating to the salary to be received by an officer or employee who is promoted or transferred to a higher grade, is amended to reach as follows:

"(b) Any officer or employee who is promoted or transferred to a position in a higher grade shall receive basic compensation at the lowest rate of such higher grade which exceeds his existing rate of basic compensation by not less than two step-increases of the grade from which he is promoted or transferred. If, in the case of any officer or employee so promoted or transferred who is receiving basic compensation at a rate in excess of the maximum rate for his grade under any provision of law, there is no rate in such higher grade which is at least two step-increases above his existing rate of basic compensation, he shall receive (1) the maximum rate of such higher grade, or (2) his existing rate of basic compensation, if such existing rate is the higher. In case any such officer or employee so promoted or transferred is receiving basic compensation at a rate saved to him under section 507 of this Act upon reduction in grade, such officer or employee shall receive (A) basic compensation at a rate two steps above the rate which he would be receiving if such section 507 were not applicable in his case, or (B) his existing rate of basic compensation, if such existing rate is the higher."

(b) Section 802 of such Act is amended by adding at the end thereof a new subsection to read as follows:

"(d) The Commission may issue regulations governing the retention of the rate of basic compensation of an employee who together with his position is brought under this Act. If any such employee so entitled to receive a retained rate under regulations issued pursuant to this subsection is later demoted to a position under this Act, his rate of basic compensation shall be determined in accordance with section 507 of this Act, except

that service in the position which was brought under the Act shall, for purposes of section 507, be considered as service under this Act.".

(c) Section 803 of the Classification Act of 1949, as amended (5 U.S.C. 1133), is amended to read as follows:

"SEC. 803. Each employee in a position under this Act, who regularly has responsibility for supervision (including supervision over the technical aspects of the work concerned) over employees whose compensation is fixed and adjusted from time to time by wage boards or similar administrative authorities as nearly as is consistent with the public interest in accordance with prevailing rates, may, in accordance with regulations issued by the Commission, be paid at one of the scheduled rates for his grade which is above the highest rate of basic compensation being paid to any such prevailing-rate employee regularly supervised, or at the maximum rate for his grade, as provided for in such regulations.".

SALARY RETENTION

SEC. 605. Section 507 of the Classification Act of 1949, as amended (72 Stat. 830; 5 U.S.C. 1107), is amended—

(1) by striking out "(other than grade 16, 17, or 18 of the General Schedule)" in paragraph (1) of subsection (a) of such section; and

(2) by striking out "(B) in the same grade or in the same and higher grades;" in paragraph (4) of subsection (a) of such section; and by inserting in lieu thereof "(B) in any grade or grades higher than the grade to which demoted;".

TOP GRADE POSITIONS UNDER CLASSIFICATION ACT OF 1949

SEC. 606. (a) Section 505(b) of the Classification Act of 1949, as amended (5 U.S.C. 1105(b)), relating to the limitation on numbers of positions in grades 16, 17, and 18 of the General Schedule of such Act, is amended by striking out "not to exceed an aggregate of nineteen hundred and eighty-nine" and substituting in lieu thereof "not to exceed an aggregate of twenty-four hundred, in addition to any professional engineering positions primarily concerned with research and development and professional positions in the physical and natural sciences and medicine which may be placed in such grades".

(b) Section 505(j) of such Act is amended by inserting after the word "positions" the following: "(in addition to any professional engineering positions primarily concerned with research and development and professional positions in the physical and natural sciences and medicine which may be placed in such grades)".

(c) Section 505 of such Act is further amended by inserting after subsection (j) the following new subsections:

"(k) The Attorney General is authorized, without regard to any other provision of this section, to place a total of ten positions of Warden in the Bureau of Prisons in grade 16 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grade by subsection (b).

"(l) The Attorney General is authorized, without regard to any other provision of this section, to place a total of eight positions of Member of the Board of Parole in grade 17 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grade by subsection (b)."

CONFORMING CHANGES IN EXISTING LAW

SEC. 607. (a) The following provisions of law are hereby repealed:

(1) Section 104 of the Department of Commerce and Related Agencies Appropriation Act, 1956 (69 Stat. 234; 5 U.S.C. 592(d)), authorizing grade 17 of the General Schedule of the Classification Act of 1949 for the position of Budget Officer of the Department of Commerce so long as the position is held by the present incumbent.

(2) Section 206 of the Public Works Appropriation Act, 1956 (69 Stat. 360; 5 U.S.C. 483–2), authorizing the Secretary of the Interior to place the position of Director, Division of Budget and Finance, in grade 17 of the General Schedule established by the Classification Act of 1949 so long as the position is held by the present incumbent.

(3) The second paragraph under the heading "Administrative Provisions" in title III of the Public Works Appropriation Act, 1956 (69 Stat. 364, 10 U.S.C. 1335, note), authorizing the Chief of Engineers to place the position of Chief of the Programs Branch, Office of the Assistant Chief of Engineers for Civil Works, in grade 17 of the General Schedule established by the Classification Act of 1949 so long as the position is held by the present incumbent.

(4) Section 24(d) of the Area Redevelopment Act (75 Stat. 62, 42 U.S.C. 2521(d)), authorizing five positions in grades 16, 17, and 18 of the General Schedule established by the Classification Act of 1949 for agencies performing functions under that Act.

(5) The fourth sentence of section 3(a) of the Fish and Wildlife Act of 1956 (70 Stat. 1120; 16 U.S.C. 742b(a)), relating to the annual salary of the Commissioner of Fish and Wildlife in the Department of the Interior, which reads: "He shall receive compensation at the same rate as that provided for grade GS–18.".

(6) That part of section 207 of the Agricultural Act of 1956 (70 Stat. 200; 7 U.S.C. 1857), relating to the annual salary of an agricultural surplus disposal administrator in the Department of Agriculture, which reads: ", at a salary rate of not exceeding $15,000 per annum,".

(7) Section 1102 of the Classification Act of 1949, as amended (63 Stat. 971; 5 U.S.C. 1073), relating to the submission of reports with respect to the rates of compensation under, and the administration of, such Act.

(b) The second proviso of the paragraph under the heading "FEDERAL PRISON SYSTEM" and under the subheading "SALARIES AND EXPENSES, BUREAU OF PRISONS" in title II (the Department of Justice Appropriation Act, 1956) of the Departments of State and Justice, the Judiciary, and Related Agencies Appropriations Act, 1956 (69 Stat. 273; Public Law 133, Eighty-fourth Congress; 5 U.S.C. 298a) is amended by striking out "three positions" and inserting in lieu thereof "one position".

SEC. 608. (a) Each position specifically referred to in, or covered by, any repeal made by section 607(a) of this title shall be placed in the appropriate grade of the General Schedule of the Classification Act of 1949, as amended, in accordance with the provisions of such Act.

(b) Positions in grade 16, 17, or 18, as the case may be, of the General Schedule of the Classification Act of 1949, as amended, immediately prior to the effective date of this section, shall remain, on and after such effective date, in their respective grades, until appropriate action is taken under section 505 of the Classification Act of 1949 as in effect on and after such effective date.

SAVINGS PROVISIONS

SEC. 609. (a) The changes in existing law made by this title shall not affect any position existing immediately prior to the effective date of any such changes in existing law, the compensation attached to such position, and any incumbent thereof, his appointment thereto, and his entitlement to receive the compensation attached thereto, until appropriate action is taken in accordance with this title.

(b) The incumbent of each such position immediately prior to the effective date of this title shall continue to receive the rate of basic compensation which he was receiving immediately prior to such effective date until he leaves such position or until he is entitled to receive compensation at a higher rate in accordance with law. When such incumbent leaves such position, the rate of basic compensation of each subsequent appointee to such position shall be determined in accordance with the Classification Act of 1949, as amended.

EFFECTIVE DATES

SEC. 610. Except as otherwise expressly provided in this title, the provisions of this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

TITLE III—POSTAL FIELD SERVICE EMPLOYEES

SHORT TITLE

SEC. 701. This title may be cited as the "Postal Employees Salary Adjustment Act of 1962".

POSTAL FIELD SERVICE SCHEDULES

SEC. 702. Subsection (a) of section 3542 of title 39, United States Code, is amended to read as follows:

"(a) There are established basic compensation schedules for positions in the postal field service which shall be known as the Postal Field Service Schedules and for which the symbol shall be 'PFS'. Each such schedule shall be in effect for the period specified with respect to such schedule. Except as provided in sections 3543 and 3544 of this title, basic compensation shall be paid to all employees in accordance with these schedules.

"POSTAL FIELD SERVICE SCHEDULE I

"(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act, and ending immediately prior to the applicable initial effective date of the second PFS schedule set forth below)

"PFS	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
1	$3,595	$3,725	$3,855	$3,985	$4,115	$4,245	$4,375	$4,505	$4,635	$4,765	$4,895	$5,025
2	3,905	4,040	4,175	4,310	4,445	4,580	4,715	4,850	4,985	5,120	5,255	5,390
3	4,230	4,375	4,520	4,665	4,810	4,955	5,100	5,245	5,390	5,535	5,680	5,825
4	4,565	4,725	4,885	5,045	5,205	5,365	5,525	5,685	5,845	6,005	6,165	6,325
5	4,965	5,130	5,295	5,460	5,625	5,790	5,955	6,120	6,285	6,450	6,615	6,780
6	5,365	5,545	5,725	5,905	6,085	6,265	6,445	6,625	6,805	6,985	7,165	7,345
7	5,805	6,000	6,195	6,390	6,585	6,780	6,975	7,170	7,365	7,560	-------	-------
8	6,285	6,495	6,705	6,915	7,125	7,335	7,545	7,755	7,965	8,175	-------	-------
9	6,805	7,030	7,255	7,480	7,705	7,930	8,155	8,380	8,605	8,830	-------	-------
10	7,395	7,640	7,885	8,130	8,375	8,620	8,865	9,110	9,355	9,600	-------	-------
11	8,045	8,310	8,575	8,840	9,105	9,370	9,635	9,900	10,165	-------	-------	-------
12	8,840	9,135	9,430	9,725	10,020	10,315	10,610	10,905	11,200	-------	-------	-------
13	9,725	10,050	10,375	10,700	11,025	11,350	11,675	12,000	12,325	-------	-------	-------
14	10,705	11,060	11,415	11,770	12,125	12,480	12,835	13,190	13,545	-------	-------	-------
15	11,780	12,170	12,560	12,950	13,340	13,730	14,120	14,510	14,900	-------	-------	-------
16	12,955	13,385	13,815	14,245	14,675	15,105	15,535	15,965	-------	-------	-------	-------
17	14,260	14,730	15,200	15,670	16,140	16,610	17,080	17,550	-------	-------	-------	-------
18	15,500	16,000	16,500	17,000	17,500	18,000	18,500	-------	-------	-------	-------	-------
19	16,750	17,250	17,750	18,250	18,750	19,250	-------	-------	-------	-------	-------	-------
20	18,000	18,500	19,000	19,500	-------	-------	-------	-------	-------	-------	-------	-------

"POSTAL FIELD SERVICE SCHEDULE II

"(To be effective on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

"PFS	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
1	$3,690	$3,820	$3,950	$4,080	$4,210	$4,340	$4,470	$4,600	$4,730	$4,860	$4,990	$5,120
2	4,010	4,145	4,280	4,415	4,550	4,685	4,820	4,955	5,090	5,225	5,360	5,495
3	4,345	4,490	4,635	4,780	4,925	5,070	5,215	5,360	5,505	5,650	5,795	5,940
4	4,690	4,850	5,010	5,170	5,330	5,490	5,650	5,810	5,970	6,130	6,290	6,450
5	5,085	5,255	5,425	5,595	5,765	5,935	6,105	6,275	6,445	6,615	6,785	6,955
6	5,500	5,685	5,870	6,055	6,240	6,425	6,610	6,795	6,980	7,165	7,350	7,535
7	5,950	6,150	6,350	6,550	6,750	6,950	7,150	7,350	7,550	7,750	-------	-------
8	6,440	6,655	6,870	7,085	7,300	7,515	7,730	7,945	8,160	8,375	-------	-------
9	6,965	7,200	7,435	7,670	7,905	8,140	8,375	8,610	8,845	9,080	-------	-------
10	7,650	7,900	8,150	8,400	8,650	8,900	9,150	9,400	9,650	9,900	-------	-------
11	8,410	8,690	8,970	9,250	9,530	9,810	10,090	10,370	10,650	-------	-------	-------
12	9,270	9,575	9,880	10,185	10,490	10,795	11,100	11,405	11,710	-------	-------	-------
13	10,210	10,545	10,880	11,215	11,550	11,885	12,220	12,555	12,890	-------	-------	-------
14	11,240	11,610	11,980	12,350	12,720	13,090	13,460	13,830	14,200	-------	-------	-------
15	12,370	12,780	13,190	13,600	14,010	14,420	14,830	15,240	15,650	-------	-------	-------
16	13,625	14,075	14,525	14,975	15,425	15,875	16,325	16,775	-------	-------	-------	-------
17	15,000	15,495	15,990	16,485	16,980	17,475	17,970	18,465	-------	-------	-------	-------
18	15,500	16,000	16,500	17,000	17,500	18,000	18,500	-------	-------	-------	-------	-------
19	16,750	17,250	17,750	18,250	18,750	19,250	-------	-------	-------	-------	-------	-------
20	18,000	18,500	19,000	19,500	-------	-------	-------	-------	-------	-------	-------	-------

"

RURAL CARRIER SCHEDULES

SEC. 703. (a) Section 3543(a) of title 39, United States Code, is amended to read as follows:

"(a) There are established basic compensation schedules which shall be known as the Rural Carrier Schedules, and for which the symbol shall be 'RCS'. Each such schedule shall be in effect for the period specified with respect to such schedule.

"RURAL CARRIER SCHEDULE I

"(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act, and ending immediately prior to the applicable initial effective date of the second RCS Schedule set forth below)

	"Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
Carriers in rural delivery service:												
Fixed compensation per annum	$2,027	$2,127	$2,227	$2,327	$2,427	$2,527	$2,627	$2,727	$2,827	$2,927	$3,027	$3,127
Compensation per mile per annum for each mile up to 30 miles of route	75	77	79	81	83	85	87	89	91	93	95	97
For each mile of route over 30 miles	24	24	24	24	24	24	24	24	42	24	24	24

"RURAL CARRIER SCHEDULE II

"(To be effective for the period beginning on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

	"Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
Carriers in rural delivery service:												
Fixed compensation per annum	$2,080	$2,180	$2,280	$2,380	$2,480	$2,580	$2,680	$2,780	$2,880	$2,980	$3,080	$3,180
Compensation per mile per annum for each mile up to 30 miles of route	77	79	81	83	85	87	89	91	93	95	97	99
For each mile of route over 30 miles	25	25	25	25	25	25	25	25	25	25	25	25"

(b) Section 3543(c) of title 39, United States Code, is amended to read as follows:

"(c) The Postmaster General may pay such additional compensation as he may determine to be fair and reasonable in each individual case to rural carriers serving heavily patronized routes."

(c) The first sentence of section 3543(f) of title 39, United States Code, is amended to read as follows: "In addition to the compensation provided in the Rural Carrier Schedule, each rural carrier shall be paid for equipment maintenance a sum equal to—

"(1) 12 cents per mile for each mile or major fraction of a mile scheduled, or

"(2) $4.20 per day, whichever is greater."

(d) Section 3543 of title 39, United States Code, is amended by adding thereto new subsections (i) and (j) as follows:

"(i) Each person serving as a substitute of record on the effective date of this subsection shall be placed in step 2 of the Rural Carrier Schedule and he shall be advanced by step-increases, on the basis of time on the rolls prior to the effective date, in accordance with the schedule of step-increases provided in section 3552, except that no such person shall be so advanced to a step higher than the step to which a regular carrier with the same length of service would have advanced prior to such effective date. Thereafter, he shall be advanced by step-increases, pursuant to the provisions of sections 3552 and 3553 of this title. On and after the effective date of this subsection, each substitute rural carrier shall be paid the daily

rate, based on the step attained by him, for the route on which service is performed.

"(j) Each temporary rural carrier who, on the effective date of this subsection, is serving on a vacant route pending the appointment of a regular rural carrier shall be placed in step 2 and shall be advanced by step-increases on the basis of any prior substitute or temporary rural carrier service in accordance with the schedule of step-increases provided in section 3552."

FOURTH CLASS OFFICE SCHEDULES

SEC. 704. (a) Section 3544(a) of title 39, United States Code, is amended to read as follows:

"(a) There are established basic compensation schedules which shall be known as the Fourth Class Office Schedules, and for which the symbol shall be 'FOS', for postmasters in post offices of the fourth class. Each such schedule shall be in effect for the period specified with respect to such schedule. Each such schedule is based upon the gross postal receipts as contained in returns of the post office for the calendar year immediately preceding. Basic compensation shall be paid to postmasters in post offices of the fourth class in accordance with these schedules.

"FOURTH CLASS OFFICE SCHEDULE I

"(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act and ending immediately prior to the applicable initial effective date of the second FOS schedule set forth below)

"Gross receipts	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
$1,300 to $1,499.99	$3,277	$3,386	$3,495	$3,604	$3,713	$3,822	$3,931	$4,040	$4,149	$4,258	$4,367	$4,476
$900 to $1,299.99	3,003	3,102	3,201	3,300	3,399	3,498	3,597	3,696	3,795	3,984	3,993	4,992
$600 to $899.99	2,457	2,540	2,623	2,706	2,789	2,872	2,955	3,038	3,121	3,204	3,287	3,370
$350 to $599.99	1,911	1,973	2,035	2,097	2,159	2,221	2,283	2,345	2,407	2,469	2,531	2,593
$250 to $349.99	1,366	1,410	1,454	1,498	1,542	1,586	1,630	1,674	1,718	1,762	1,806	1,850
$200 to $249.99	1,092	1,128	1,164	1,200	1,236	1,272	1,308	1,344	1,380	1,416	1,452	1,488
$100 to $199.99	820	846	872	898	924	950	976	1,002	1,028	1,054	1,080	1,106
Under $100	545	562	579	596	613	630	647	664	681	698	715	732

"FOURTH CLASS SCHEDULE II

"(To be effective on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

"Cross receipts	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
$1,300 to $1,499.99	$3,426	$3,540	$3,654	$3,768	$3,882	$3,996	$4,110	$4,224	$4,338	$4,452	$4,566	$4,680
$900 to $1,299.99	3,140	3,243	3,346	3,449	3,552	3,655	3,758	3,861	3,964	4,067	4,170	4,273
$600 to $899.99	2,569	2,655	2,741	2,827	2,913	2,999	3,085	3,171	3,257	3,343	3,429	3,515
$350 to $599.99	1,998	2,063	2,128	2,193	2,258	2,323	2,388	2,453	2,518	2,583	2,648	2,713
$250 to $349.99	1,428	1,474	1,520	1,566	1,612	1,658	1,704	1,750	1,796	1,842	1,888	1,934
$200 to $249.99	1,142	1,179	1,216	1,253	1,290	1,327	1,364	1,401	1,438	1,475	1,512	1,549
$100 to $199.99	857	884	911	938	965	992	1,019	1,046	1,073	1,111	1,127	1,154
Under $100	569	588	607	626	645	664	683	702	721	740	759	778".

(b) Section 3544(b) of title 39, United States Code, is amended to read as follows:

"(b) The basic salary of postmasters in fourth-class post offices shall be readjusted for changes in gross receipts at the start of the first pay period after the beginning of each fiscal year. When a post office is

restored to a gross receipts category held by it prior to relegation to a lower gross receipts category, the postmaster's basic salary may be adjusted to the highest salary step held by him when the post office was in the higher gross receipts category. In all other cases, in adjusting a postmaster's basic salary under this section, the basic salary shall be fixed at the lowest step which is higher than the basic salary received by the postmaster at the end of the preceding fiscal year. If there is no such step the basic salary shall be fixed at the highest step for the adjusted gross receipts of the office. Each increase in basic salary because of change in gross receipts shall be deemed the equivalent of a step-increase under section 3552 of this title and the waiting period, for purposesof advancement to the next step, shall begin on the date of adjustment."

SEC. 705. Section 3552 of title 39, United States Code, is amended to read as follows:

"§ 3552. Automatic advancement by step increases

"(a)(1) Each employee in levels 1 through 6 of the Postal Field Service Schedule, each employee subject to the Rural Carrier Schedule, and each employee subject to the Fourth Class Office Schedule, who has not reached the highest step for his position, shall be advanced successively to the next higher step as follows:

"(A) To steps 2, 3, 4, 5, 6, and 7—at the beginning of the first pay period following the completion of fifty-two calendar weeks of satisfactory service; and

"(B) To steps 8 and above—at the beginning of the first pay period following the completion of one hundred and fifty-six calendar weeks of satisfactory service.

"(2) Each employee in the postal field service in level 7 or above of the Postal Field Service Schedule, who has not reached the highest step for his position, shall be advanced successively to the next higher step, as follows:

"(A) To steps 2, 3, and 4—at the beginning of the first pay period following the completion of fifty-two calendar weeks of satisfactory service;

"(B) To steps 5, 6, and 7—at the beginning of the first pay period following the completion of one hundred and four calendar weeks of satisfactory service; and

"(C) To steps 8 and above—at the beginning of the first pay period following the completion of one hundred and fifty-six calendar weeks of satisfactory service.

"(3) The receipt of an equivalent increase during any of the waiting periods specified in this subsection shall cause a new full waiting period to commence for further step-increases.

"(b) Any increase in basic compensation granted by law on or after the date of enactment of the Postal Employees Salary Adjustment Act of 1962, to employees in the postal field service shall not be deemed to be an equivalent increase in basic compensation within the meaning of subsection (a) of this section.

"(c) The benefit of successive step-increases shall be preserved, under regulations prescribed by the Postmaster General, for employees whose continuous service is interrupted by service in the armed services."

SEC. 706. Section 3554 of title 39, United States Code, is amended to read as follows:

"§ 3554. Compensation of certain temporary employees

"Temporary employees hired for a continuous period of one year or less for a position in the postal field service shall be paid basic compensation at the entrance step of the position to which they are appointed.".

SEC. 707. Section 3559 of title 39, United States Code, is amended to read as follows:

"§ 3559. Promotions

"An employee who is promoted to a position in the Postal Field Service Schedule which is not more than two salary levels above the salary level of the position from which promoted shall be paid basic compensation at the lowest step of the higher salary level which exceeds his existing basic compensation by not less than two steps of the salary level from which promoted. An employee who is promoted to a position in the Postal Field Service Schedule which is more than two salary levels above the level of the position from which promoted shall be paid basic compensation at the lowest step of the higher salary level which exceeds his existing basic compensation by not less than three steps of the salary level from which promoted. If there is no step in the salary level to which the employee is promoted which exceeds his existing basic compensation by at least the amount of the specified difference, the employee shall be paid the rate for the maximum step of the salary level to which promoted, or his existing basic compensation, whichever is higher.".

SEC. 708. Subsection (a)(4) of section 6402 of title 39, United States Code, is amended to read as follows:

"(4) delivery and collection service may not be established or extended under a star route contract on a rural route except when such rural route does not meet the minimum standards established by the Postmaster General, and becomes vacant, and".

SEC. 709. Section 3101 of title 39, United States Code, is amended by deleting paragraphs (5) and (6), and inserting in lieu thereof, the following:

"(5) 'basic salary' and 'basic compensation' mean the rate of annual or hourly compensation specified by law, exclusive of overtime and night differential.".

SEC. 710. Subsection 3541(d) of title 39, United States Code, is amended by (a) inserting in paragraph (3) thereof, after "rural carriers," the phrase "(other than substitute rural carriers,)" and (b) adding a new paragraph (5) as follows:

"(5) To compute the daily rate of basic compensation for substitute rural carriers, the annual rate of compensation shall be divided by 304.".

CONVERSION AS OF THE FIRST PAY PERIOD BEGINNING ON OR AFTER THE DATE OF ENACTMENT OF THIS ACT

SEC. 711. (a) The basic compensation of each employee subject to Postal Field Service Schedule I or Rural Carrier Schedule I, as the case may be, on the effective date of such schedule shall be determined as follows:

(1) Each employee shall be assigned to the same numerical level and step he was in prior to the effective date of such schedule, except that employees in the first four levels of the Postal Field Service Schedule and employees (except employees subject to section 3543(j) of title 39, United States Code) in the Rural Carrier Schedule shall be advanced as follows: Employees in step 1 to step 2 of the new

schedule; step 2 to step 3; step 3 to step 4; step 4 to step 5; step 5 to step 6; step 6 to step 7; step 7 to step 8. If changes in level or step would otherwise occur on the effective date of such schedule without regard to the enactment of such schedule, such changes shall be deemed to have occurred prior to conversion under this paragraph.

(2) In addition to conversion under paragraph (1) of this subsection, each employee shall be advanced one additional step for each longevity step which he had earned on or prior to such conversion.

(3) Credit toward the next step-increase (other than toward longevity steps) earned by an employee who had not reached step 7 or who is not advanced to step 7 under paragraph (1) prior to the effective date of such schedule shall be creditable under subsection 3552(a) and section 3553 of title 39, United States Code, toward further step-increases if no step-increases were granted pursuant to paragraph (2) of this subsection. Credit earned toward longevity step-increases prior to the effective date of such schedule shall not be creditable toward further step-increases pursuant to subsection 3552(a), and section 3553 of title 39, United States Code.

(b) The basic compensation of each postmaster subject to the Fourth Class Office Schedule I on the effective date of such schedule shall be determined as follows:

(1) Each postmaster shall be assigned to the same receipts category and numerical step he was in prior to the effective date of such schedule. If changes in receipts category or step would otherwise occur on the effective date of such schedule without regard to the enactment of such schedule, such changes in receipts category or step shall be deemed to have occurred prior to conversion.

(2) Postmasters who, as of the effective date of this schedule, have not reached step 7, shall retain credit for advancement to the next step under section 3552(a) and section 3553 of title 39, United States Code, if no step-increases are granted pursuant to paragraph 3 of this subsection. Credit earned toward longevity step-increases prior to the effective date of such schedule shall not be creditable toward further step-increases under section 3552(a) and section 3553 of title 39, United States Code.

(3) For each longevity step earned on or prior to the effective date of such schedule postmasters shall be advanced one step.

(c) If the existing basic compensation of any employee subject to the Postal Field Service Schedule, Rural Carrier Schedule, or Fourth Class Office Schedule, as the case may be, is greater than the rate established by subsection (a) or (b) of this section, he shall be placed in the first step of such schedule which exceeds his existing basic compensation; if the existing basic compensation is greater than any numerical step, his existing basic compensation shall be established as his basic compensation.

CONVERSION AS OF THE FIRST PAY PERIOD BEGINNING ON OR AFTER JANUARY 1, 1964

SEC. 712. The basic compensation of each employee subject to the Postal Field Service Schedule II, Rural Carrier Schedule II, or Fourth Class Office Schedule II, as the case may be, on the effective date of such schedule shall be determined as follows:

(1) Each employee shall be assigned to the same numerical step for his position which he had attained prior to the effective date of such schedule. If changes in levels, receipts categories, or steps

would otherwise occur on the effective date of such schedule without regard to enactment of such schedule, such changes shall be deemed to have occurred prior to conversion.

(2) If existing basic compensation is greater than the rate to which the employee is converted under paragraph (1) of this section, the employee shall be placed in the lowest step which exceeds his basic compensation; if the existing basic compensation exceeds the maximum step of his position, his existing basic compensation shall be established as his basic compensation.

SEC. 713. Subject to sections 711(c) and 712(2) of this title, rates of compensation fixed by reason of section 3560 of title 39, United States Code, shall not be increased by this title, notwithstanding any provision of such section to the contrary.

BASIC SALARY IN CASES OF ASSIGNMENTS OF POSTAL EMPLOYEES

SEC. 714. (a) Section 3335(b) of title 39, United States Code, is amended by adding at the end thereof the following sentence: "The Postmaster General may pay, as he deems advisable, in cases of such assignments, a basic salary computed in accordance with the provisions of such section 3559 without regard to the requirement in this subsection of assignment for more than thirty days in a calendar year.".

(b) Each payment of an increase in basic salary which was made prior to the date of enactment of this section for services performed for periods of thirty days or less in any calendar year in the course of an assignment referred to in section 3335(b) of title 39, United States Code, by a postal field service employee assigned to duties and responsibilities of a higher salary level, and which would have been authorized by such section 3335(b), if such services had been performed in the course of such assignment after the completion by such employee of thirty days of service in any calendar year in such higher salary level, are hereby validated to the same extent as if such services had been performed after the completion of thirty days of service in any calendar year in the course of such assignment. Payments of increases validated by this subsection shall be considered as basic salary for the purposes of the Civil Service Retirement Act (5 U.S.C. 2251–2267).

SALARY PROTECTION REVISION

SEC. 715. (a) Section 3560(a)(1) of title 39, United States Code, is amended to read as follows:

"(1) basic salary and salary level, with respect to the Postal Field Service Schedule,".

(b) Section 3560(b)(4) of title 39, United States Code, is amended to read as follows:

"(4) who, for two continuous years immediately prior to such reduction in salary standing, served in the postal field service with any salary standing higher than the salary standing to which he is reduced; and".

(c) Section 3560(c) of title 39, United States Code, is amended—

(1) by striking out the period at the end of paragraph (B) and inserting "; or" in lieu of such period, and

(2) by adding at the end of such section 3560(c) the following paragraph:

"(C) the amount of the rate in the lowest salary standing which such employee held during the two years immediately preceding such reduction in salary standing augmented by each step increase which he would have earned in such salary standing and by each increase provided by law in such salary rate.".

(d)(1) Subject to paragraph (2) of this section, the amendments made by this section to sections 3560(a)(1), 3560(b)(4), and 3560(c) of title 39, United States Code, shall apply only with respect to reductions in salary standing occurring on or after the date of enactment of this Act.

(2) Payments not authorized by section 3560 of title 39, United States Code, which were made prior to the date of enactment of this Act to employees in the postal field service in connection with reductions in salary standing and which would have been authorized under such section 3560 if the amendments made by this section to subsections (b)(4) and (c) of such section 3560 had been in effect at the time such payments were made, are hereby validated to the same extent as if such amendments had been in effect at such time.

RULES FOR SPECIAL COMPENSATION

SEC. 716. Chapter 41 of title 39, United States Code, is amended by adding immediately following section 3105 a new section 3106 as follows:

"§ 3106. Special compensation rules

"In order that the basic compensation schedules in sections 3542, 3543, and 3544 of this title may be used equitably and with maximum effect to attract and motivate employees, the Postmaster General may prescribe regulations pursuant to which he may, within the limit of available appropriations, grant to any officer or employee before the expiration of the periods prescribed by section 3552, step-increases in recognition of extra competence: Provided, That no officer or employee shall be eligible under this section for more than one such additional step-increase within any period of fifty-two weeks, and such increase shall not be considered to be an equivalent increase."

PERSONNEL REQUIREMENTS

SEC. 717. (a) Section 3301 of title 39, United States Code, is amended to read as follows:

"§ 3301. Personnel requirements

"The Postmaster General shall determine the personnel requirements of the postal field service, and fix the number of supervisors and other employees in that service, except that there may not be at any one time more than one assistant postmaster employed at any post office or a total of 70 employees assigned to salary levels 18, 19, and 20 in the postal field service."

(b) Section 1310(a) of the Act of November 1, 1951 (65 Stat. 757), as amended, which fixes a ceiling on permanent employees in the Federal Government, is amended by inserting after the word "Provided," the following: "That increases in the number of permanent personnel in the Postal Field Service not exceeding 10 per centum above the total number of its permanent employees on September 1, 1950, shall not be chargeable to this limitation: And provided further,".

CONFORMING AMENDMENT

SEC. 718. (a) The table of contents of chapter 41 of title 39, United States Code, is amended by adding after the heading entitled "EMPLOYEES GENERALLY", the following:

"3106. Special compensation rules".

(b) The table of contents of chapter 45 of title 39, United States Code, is amended by deleting "3558. Longevity step-increases".

REPEALS

SEC. 719. Sections 101 through 105 of the Act of July 1, 1960 (74 Stat. 296, Public Law 86–568), and section 3558 of title 39, United States Code, are repealed.

EFFECTIVE DATES

SEC. 720. Except as otherwise expressly provided in this title, the provisions of this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act, except that section 712 (conversion rules for second postal field service salary increases) shall become effective on the first day of the first pay period which begins on or after January 1, 1964.

TITLE IV—DEPARTMENT OF MEDICINE AND SURGERY IN THE VETERANS' ADMINISTRATION

SEC. 801. (a) Section 4103 of title 38 of the United States Code, relating to the appointment and annual salaries of the Chief Medical Director and certain other officers of the Department of Medicine and Surgery of the Veterans' Administration, is amended by striking out the words "not to exceed eight Assistant Chief Medical Directors" in subsection (a) and inserting in lieu thereof the words "not to exceed five Assistant Chief Medical Directors, such Medical Directors as may be designated to suit the needs of the Department,".

(b) Such section is further amended by striking out subsections (d) to (i), inclusive, and inserting in lieu thereof the following:

"(d) Each Assistant Chief Medical Director shall be appointed by the Administrator upon the recommendation of the Chief Medical Director and shall be paid a salary of $20,000 a year.

"One Assistant Chief Medical Director shall be a qualified doctor of dental surgery or dental medicine who shall be directly responsible to the Chief Medical Director for the operations of the Dental Service.

"(e) Medical Directors, during their period of service as such, shall be paid a salary of $18,500 minimum to $19,500 maximum a year.

"(f) The Director of Nursing Service shall be a qualified registered nurse, appointed by the Administrator, and shall be responsible to the Chief Medical Director for the operation of the Nursing Service. During the period of service as such, the Director of Nursing Service shall be paid, effective on the first day of the first pay period beginning on or after—

"the date of enactment of the Federal Salary Reform Act of 1962, a salary of $14,565 minimum to $17,925 maximum a year;

"January 1, 1964, a salary of $15,665 minimum to $19,270 maximum a year.

"(g) The Administrator may appoint a chief pharmacist and a chief dietitian. During the period of his service as such, the chief pharmacist

and the chief dietitian shall be paid, effective on the first day of the first pay period beginning on or after—

"the date of enactment of the Federal Salary Reform Act of 1962, a salary of $14,565 minimum to $17,925 maximum a year;

"January 1, 1964, a salary of $15,665 minimum to $19,270 maximum a year.

"(h) Except as provided in subsection (j), any appointment under this section shall be for a period of four years but persons so appointed shall be subject to removal by the Administrator for cause.

"(i) Reappointments may be made for successive like periods.

"(j) The Administrator may designate a member of the Chaplain Service of the Veterans' Administration as Director, Chaplain Service, for a period of two years, subject to removal by the Administrator for cause. During the period that any such member serves as Director, Chaplain Service, he shall be paid a salary, as determined by the Administrator, within the minimum and maximum salary limitations prescribed for grade GS–15 positions by the Classification Act of 1949, as amended. Redesignations under this subsection may be made for successive like periods. An individual designated as Director, Chaplain Service, shall at the end of his period of service as Director revert to the position, grade, and status which he held immediately prior to being designated Director, Chaplain Service, and all service as Director, Chaplain Service, shall be creditable as service in the former position."

PHYSICIANS, DENTISTS, AND NURSES

SEC. 802. Section 4107 of such title 38 relating to the minimum and maximum rates of annual salary of certain physicians, dentists, and nurses of the Department of Medicine and Surgery of the Veterans' Administration is amended to read as follows:

"§ 4107. Grades and pay scales

"(a)(1) Effective on the first day of the first pay period beginning on or after the date of enactment of the Federal Salary Reform Act of 1962, the grades and per annum full-pay ranges for positions provided in paragraph (1) of section 4104 of this title shall be as follows:

"PHYSICIAN AND DENTIST SCHEDULE

"Director grade, $16,000 minimum to $19,000 maximum.
"Executive grade, $15,250 minimum to $18,750 maximum.
"Chief grade, $14,565 minimum to $18,405 maximum.
"Senior grade, $12,845 minimum to $16,245 maximum.
"Intermediate grade, $11,150 minimum to $14,070 maximum.
"Full grade, $9,475 minimum to $11,995 maximum.
"Associate grade, $8,045 minimum to $10,165 maximum.

"NURSE SCHEDULE

"Assistant Director grade, $12,845 minimum to $16,245 maximum.
"Chief grade, $11,150 minimum to $14,070 maximum.
"Senior grade, $9,475 minimum to $11,995 maximum.
"Intermediate grade, $8,045 minimum to $10,165 maximum.
"Full grade, $6,675 minimum to $8,700 maximum.
"Associate grade, $5,820 minimum to $7,575 maximum.

"Junior grade, $5,035 minimum to $6,565 maximum.

"(2) Effective on the first day of the first pay period beginning on or after January 1, 1964, the per annum full pay ranges for positions provided in paragraph (1) of section 4104 of this title shall be as follows:

"PHYSICIAN AND DENTIST SCHEDULE

"Chief grade, $15,665 minimum to $19,785 maximum.
"Senior grade, $13,615 minimum to $17,215 maximum.
"Intermediate grade, $11,725 minimum to $14,805 maximum.
"Full grade, $9,980 minimum to $12,620 maximum.
"Associate grade, $8,410 minimum to $10,650 maximum.

"NURSE SCHEDULE

"Assistant director grade, $13,615 minimum to $17,215 maximum.
"Chief grade, $11,725 minimum to $14,805 maximum.
"Senior grade, $9,980 minimum to $12,620 maximum.
"Intermediate grade, $8,410 minimum to $10,650 maximum.
"Full grade, $7,030 minimum to $9,100 maximum.
"Associate grade, $6,090 minimum to $7,890 maximum.
"Junior grade, $5,235 minimum to $6,810 maximum.

"(b) No person may hold the director grade unless he is serving as a director of a hospital, domiciliary, center, or outpatient clinic (independent). No person may hold the executive grade unless he holds the position of chief of staff at a hospital, center, or outpatient clinic (independent), or the position of clinic director at an outpatient clinic, or comparable position."

SEC. 803. (a) Section 4108 of such title 38 which formerly prescribed the maximum amount of pay and allowances for medical, surgical, or dental specialists of the Department of Medicine and Surgery of the Veterans' Administration is amended, effective on the date of enactment of this Act, to read as follows:

"§ 4108. Administration

"Notwithstanding any law, Executive order, or regulation, the Administrator shall prescribe by regulation the hours and conditions of employment and leaves of absence of physicians, dentists, and nurses.".

(b) The table of contents of chapter 73 of such title 38 is amended by striking out

"4108. Specialist ratings."

and inserting in lieu thereof.

"4108. Administration."

DIRECTORS OF HOSPITALS, DOMICILIARIES, AND CENTERS

SEC. 804. Section 4111(b) of such title 38, relating to the annual salary of certain individuals serving as director of a hospital, domiciliary, or center, is amended, effective on the date of enactment of this Act, to read as follows:

"(b) Notwithstanding any other provision of law, the per annum salary rate of each individual serving as a director of a hospital, domiciliary, or center who is not a physician in the medical service shall not be

less than the rate of salary which he would receive under section 4107 of this title if his service as a director of a hospital, domiciliary, or center had been service as a physician in the director grade. This subsection shall not affect the allocation of any position of director of a hospital, domiciliary, or center to any grade of the General Schedule of the Classification Act of 1949, except with respect to changes in rate of salary pursuant to the preceding sentence, and shall not affect the applicability of the Performance Rating Act of 1950 to any individual."

SEC. 805. Except as otherwise expressly provided in this title, this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

TITLE V—FOREIGN SERVICE ACT OF 1946

SHORT TITLE

SEC. 901. This title may be cited as the "Foreign Service Salary Reform Act of 1962".

FOREIGN SERVICE OFFICERS

SEC. 902. The fourth sentence of section 412 of the Foreign Service Act of 1946, as amended (22 U.S.C. 867), is amended to read as follows:

"On the first day of the first pay period which begins on or after the date of enactment of the Foreign Service Salary Reform Act of 1962, the per annum salaries of Foreign Service officers within each of the other classes shall be as follows:

"Class 1	*$18,975*	*$19,650*					
Class 2	*15,900*	*16,400*	*$16,900*	*$17,400*	*$17,900*	*$18,400*	*$18,900*
Class 3	*13,440*	*13,885*	*14,330*	*14,775*	*15,220*	*15,665*	*16,110*
Class 4	*11,150*	*11,515*	*11,880*	*12,245*	*12,610*	*12,975*	*13,340*
Class 5	*9,315*	*9,620*	*9,925*	*10,230*	*10,535*	*10,840*	*11,145*
Class 6	*7,705*	*7,960*	*8,215*	*8,470*	*8,725*	*8,980*	*9,235*
Class 7	*6,475*	*6,690*	*6,905*	*7,120*	*7,335*	*7,550*	*7,765*
Class 8	*5,540*	*5,725*	*5,910*	*6,095*	*6,280*	*6,465*	*6,650*

"On the first day of the first pay period which begins on or after January 1, 1964, the per annum salaries of Foreign Service officers within each of the other classes shall be as follows:

"Class 1	*$18,975*	*$19,650*					
Class 2	*15,900*	*16,400*	*$16,900*	*$17,400*	*$17,900*	*$18,400*	*$18,900*
Class 3	*14,265*	*14,735*	*15,205*	*15,675*	*16,145*	*16,615*	*17,085*
Class 4	*11,725*	*12,110*	*12,495*	*12,880*	*13,265*	*13,650*	*14,035*
Class 5	*9,695*	*10,015*	*10,335*	*10,655*	*10,975*	*11,295*	*11,615*
Class 6	*8,090*	*8,355*	*8,620*	*8,885*	*9,150*	*9,415*	*9,680*
Class 7	*6,810*	*7,035*	*7,260*	*7,485*	*7,710*	*7,935*	*8,160*
Class 8	*5,795*	*5,990*	*6,185*	*6,380*	*6,575*	*6,770*	*6,965"*

FOREIGN SERVICE STAFF OFFICERS AND EMPLOYEES

SEC. 903. Section 415 of such Act is amended to read as follows:

"SEC. 415. (a) Effective on the first day of the first pay period which begins on or after the date of enactment of the Foreign Service Salary Reform Act of 1962, there shall be ten classes of Foreign Service staff officers and employees, referred to hereafter as staff officers and employees,

and the per annum salaries of staff officers and employees within each class shall be as follows:

"Class 1	$13,440	$13,885	$14,330	$14,775	$15,220	$15,665	$16,110	$16,555	$17,000	
Class 2	11,150	11,515	11,880	12,245	12,610	12,975	13,340	13,705	14,070	
Class 3	9,315	9,620	9,925	10,230	10,535	10,840	11,145	11,450	11,755	
Class 4	7,705	7,960	8,215	8,470	8,725	8,980	9,235	9,490	9,745	
Class 5	6,910	7,140	7,370	7,600	7,830	8,060	8,290	8,520	8,750	$8,980
Class 6	6,225	6,435	6,645	6,855	7,065	7,275	7,485	7,695	7,905	8,115
Class 7	5,610	5,800	5,990	6,180	6,370	6,560	6,750	6,940	7,130	7,320
Class 8	5,060	5,230	5,400	5,570	5,740	5,910	6,080	6,250	6,420	6,590
Class 9	4,575	4,725	4,875	5,025	5,175	5,325	5,475	5,625	5,775	5,930
Class 10	4,110	4,250	4,390	4,530	4,670	4,825	4,980	5,135	5,290	5,445

"On the first day of the first pay period which begins on or after January 1, 1964, the per annum salaries of staff officers and employees within each class shall be as follows:

"Class 1	$14,265	$14,735	$15,205	$15,675	$16,145	$16,615	$17,085	$17,555	$18,025	
Class 2	11,725	12,110	12,495	12,880	13,265	13,650	14,035	14,420	14,805	
Class 3	9,695	10,015	10,335	10,655	10,975	11,295	11,615	11,935	12,255	
Class 4	8,090	8,355	8,620	8,885	9,150	9,415	9,680	9,945	10,210	
Class 5	7,295	7,535	7,775	8,015	8,255	8,495	8,735	8,975	9,215	$9,455
Class 6	6,570	6,785	7,000	7,215	7,430	7,645	7,860	8,075	8,290	8,505
Class 7	5,890	6,085	6,280	6,475	6,670	6,865	7,060	7,255	7,450	7,645
Class 8	5,270	5,445	5,620	5,795	5,970	6,145	6,320	6,495	6,670	6,845
Class 9	4,715	4,870	5,025	5,180	5,335	5,490	5,645	5,800	5,955	6,110
Class 10	4,215	4,355	4,495	4,635	4,775	4,915	5,060	5,215	5,370	5,525

"(b) Notwithstanding the provisions of subsection (a) of this section, the Secretary may, under such regulations as he may prescribe, classify positions at levels below class 10, and establish salary rates therefor at lower rates than those prescribed by this section, for American employees recruited abroad who are not available or are not qualified for transfer to another post and who perform duties of a more routine nature than are generally performed at the class 10 level."

CONVERSION

SEC. 904. Foreign Service officers, Reserve officers, and Foreign Service staff officers and employees who are entitled to receive basic compensation immediately prior to the effective date of this title at one of the rates provided by section 412 or 415 of the Foreign Service Act of 1946, shall receive basic compensation on and after the effective date of this title at the rate of their class determined to be appropriate by the Secretary of State: Provided, That staff officers and employees shall be transferred to the new staff classes established by this Act as follows:

Present class under section 415 of the Foreign Service Act of 1946	*Corresponding new class under section 415 of the Foreign Service Act of 1946, as amended*
FSS– 1	FSS– 1
FSS– 2	FSS– 1
FSS– 3	FSS– 2
FSS– 4	FSS– 2
FSS– 5	FSS– 3
FSS– 6	FSS– 3
FSS– 7	FSS– 4
FSS– 8	FSS– 5
FSS– 9	FSS– 6
FSS–10	FSS– 7
FSS–11	FSS– 8
FSS–12	FSS– 9
FSS–13	FSS–10
FSS–14 and below	(1)

[1] *Remain at present class and salary rate until revised pursuant to new section 415(b).*

CONFORMING AMENDMENTS

SEC. 905. The heading of section 642 of the Foreign Service Act of 1946 is amended by deleting the words "and longevity" and section 642 is amended by deleting "(a)" in the first paragraph and by deleting subsection (b) in its entirety.

EFFECTIVE DATE

SEC. 906. Except as otherwise expressly provided in this title, this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

TITLE VI—MISCELLANEOUS SALARY PROVISIONS

REVISION OF SALARY LIMITATIONS FOR CERTAIN SCIENTIFIC AND PROFESSIONAL POSITIONS

SEC. 1001. (a)(1) Section 2(b) of the Act of August 1, 1947 (Public Law 313, Eightieth Congress, as amended (75 Stat. 789; 5 U.S.C. 1161–1163)), relating to the rates of compensation of certain scientific or professional positions, is amended to read as follows:

"(b) The per annum rates of compensation for positions established pursuant to the provisions of this Act shall not be less than the minimum rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act and shall be subject to the approval of the United States Civil Service Commission.".

(2) The first section of such Act is amended by adding at the end thereof the following new subsection:

"(g) the Librarian of Congress is authorized to establish and fix the compensation for not more than eight scientific or professional positions in the Library of Congress, each such position being established to carry out research and development functions of the Library which require the services of specially qualified personnel. Section 2(a) shall not apply to positions established under this subsection."

(b) Section 1581(b) of title 10 of the United States Code, relating to the rates of compensation of certain scientific or professional positions in the Department of Defense, is amended to read as follows:

"(b) Subject to the Civil Service Commission's approval as to rates, the Secretary may fix the compensation for positions established under subsection (a). However, the per annum compensation may not be less than the minimum rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act.".

(c) Section 4 of the Act of May 29, 1959 (73 Stat. 63; Public Law 86–36), as amended by section 204 of the Act of October 4, 1961 (75 Stat. 791; Public Law 87–367), authorizing scientific and professional positions in the National Security Agency, is amended by striking out ", as amended by paragraph (34)(B) of the first section of the Act of September 2, 1958 (72 Stat. 1456; Public Law 85–861)".

(d) The proviso contained in the first sentence of section 208(g) of the Public Health Service Act, as amended (42 U.S.C. 210(g)), relating to the rates of compensation of certain scientific, professional, and administrative personnel in the Public Health Service, is amended to read as follows: ": Provided, That the rates of compensation for positions

established pursuant to the provisions of this subsection shall not be less than the minimum rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act, and shall be subject to the approval of the Civil Service Commission.".

(e) The proviso contained in the second sentence of section 12 of the Act of May 29, 1884 (62 Stat. 198 as amended and supplemented; 21 U.S.C. 113a), authorizing the Secretary of Agriculture to employ and fix the compensation of technical experts and scientists for research and study of foot-and-mouth disease and other animal diseases, is amended to read as follows: ": Provided, That the number so employed shall not exceed five and that the maximum compensation for each shall not exceed the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended.".

(f) Section 203(b)(2) of the National Aeronautics and Space Act of 1958 (72 Stat. 429; 42 U.S.C. 2473(b)(2)), as amended, authorizing the Administrator of the National Aeronautics and Space Administration to establish and fix the compensation of four hundred and twenty-five scientific, engineering, and administrative positions, is amended by striking out, in the second sentence, ", except that (A) to the extent the Administrator deems such action necessary to the discharge of his responsibilities, he may appoint and fix the compensation (up to a limit of $19,000 a year, or up to a limit of $21,000 a year for a maximum of thirty positions) of" and by inserting in lieu thereof ", except that (A) to the extent the Administrator deems such action necessary to the discharge of his responsibilities, he may appoint and fix the compensation (at not to exceed the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended, or, for a maximum of thirty positions, not to exceed $21,000 a year) of".

(g) That part of the proviso in section 161d. of the Atomic Energy Act of 1954, as amended (71 Stat. 613; 42 U.S.C. 2201), fixing a limit of $19,000 on the compensation of scientific and technical personnel, is amended by striking out the words "up to a limit of $19,000)" and inserting in lieu thereof "up to a limit of the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended)".

(h) Section 302(f) of the Federal Aviation Act of 1958 (72 Stat. 746; 49 U.S.C. 1343(d)), as amended, authorizing the Administrator of the Federal Aviation Agency to select, employ, and fix the compensation of 23 positions at rates not to exceed $19,500 per annum, is amended by striking out "$19,500 per annum" and inserting in lieu thereof "the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended".

(i) Section 2 of the Act of June 14, 1948, as amended (62 Stat. 441; 66 Stat. 43; 22 U.S.C. 290a), relating to the compensation of the United States representative and alternate on the Executive Board of the World Health Organization, is amended by striking out "Such representative shall be entitled to receive compensation at a rate not to exceed $12,000 per annum and any such alternate shall be entitled to receive compensation at a rate not to exceed $10,000 per annum", and inserting in lieu thereof "Such representative and any such alternate shall each be entitled to receive compensation at one of the rates provided by section 412 of the Foreign Service Act of 1946, as amended,".

(j) Section 104(b) of the Mutual Educational and Cultural Exchange Act of 1961 (75 Stat. 530; Public Law 87–256) authorizing the fixing of

the compensation of not to exceed ten employees without regard to the Classification Act of 1949, is amended to read as follows:

"(b) The President is authorized to employ such other personnel as he deems necessary to carry out the provisions and purposes of this Act, and of such personnel not to exceed ten may be compensated without regard to the provisions of the Classification Act of 1949, as amended, but not in excess of the highest rate of grade 18 of the general schedule established by such Act. Such positions shall be in addition to the number authorized by section 505 of the Classification Act of 1949, as amended."

(k)(1) Section 625(b) of the Foreign Assistance Act of 1961 (75 Stat. 449; Public Law 87–195), as amended, is amended by striking out "and of these, not to exceed eight may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year" and inserting in lieu thereof "but not in excess of the highest rate of grade 18 of such general schedule".

(2) Section 625(c) of such Act is amended by striking out "and of these, not to exceed three may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year" and inserting in lieu thereof "but not in excess of the highest rate of grade 18 of such general schedule".

(l) Section 7(b) of the Peace Corps Act (75 Stat. 615; Public Law 87–293) is amended by striking out "and of these not to exceed two may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year" and inserting in lieu thereof "but not in excess of the highest rate of grade 18 of such general schedule".

AGRICULTURAL STABILIZATION AND CONSERVATION COUNTY COMMITTEE EMPLOYEES

SEC. 1002. The rates of compensation of persons employed by the county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) shall be increased by amounts equal, as nearly as may be practicable, to the increases provided by title II of this part for corresponding rates of compensation in the appropriate schedule or scale of pay.

ASSISTANT UNITED STATES ATTORNEYS

SEC. 1003. (a) The last paragraph of section 508 of title 28 of the United States Code is amended to read as follows:

"Assistant United States attorneys and attorneys appointed under section 503 of this title—not more than $17,500."

(b) The rates of basic compensation of assistant United States attorneys whose basic salaries are fixed by section 508 of title 28, United States Code, shall be increased by 7½ per centum effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

EMPLOYEES IN THE JUDICIAL BRANCH

SEC. 1004. (a) The rates of basic compensation of officers and employees in or under the judicial branch of the Government whose rates of compensation are fixed by or pursuant to paragraph (2) of subdivision a of section 62 of the Bankruptcy Act (11 U.S.C. 102(a)(2)), section

3656 of title 18 of the United States Code, the third sentence of section 603, section 604(a)(5), or section 672 to 675, inclusive, of title 28 of the United States Code, or section 107(a)(6) of the Act of July 31, 1956, as amended (5 U.S.C. 2206 (a)(6)), are hereby increased by two amounts, the first amount to be effective for the period beginning as of the first day of the first pay period which begins on or after the date of enactment of this Act, and ending immediately prior to the first day of the first pay period which begins on or after January 1, 1964, and the second amount to be effective on the first day of the first pay period which begins on or after January 1, 1964, and thereafter, which reflect the respective applicable increases provided by title II of this part in corresponding rates of compensation for officers and employees subject to the Classification Act of 1949, as amended.

(b) The limitations provided by applicable law on the effective date of this section with respect to the aggregate salaries payable to secretaries and law clerks of circuit and district judges are hereby increased by two amounts, the first amount to be effective for the period beginning as of the first day of the first pay period which begins on or after the date of enactment of this Act, and ending immediately prior to the first day of the first pay period which begins on or after January 1, 1964, and the second amount to be effective on the first day of the first pay period which begins on or after January 1, 1964, and thereafter, which reflect the respective applicable increases provided by title II of this part in corresponding rates of compensation for officers and employees subject to the Classification Act of 1949, as amended.

(c) Section 753(e) of title 28 of the United States Code (relating to the compensation of court reporters for district courts) is amended by striking out the existing salary limitation contained therein and inserting a new limitation to be effective for the period beginning as of the first day of the first pay period which begins on or after the date of enactment of this Act, and ending immediately prior to the first day of the first pay period which begins on or after January 1, 1964, and a second new limitation effective on the first day of the first pay period which begins on or after January 1, 1964, and thereafter, which reflect the respective applicable increases provided by title II of this part in corresponding rates of compensation for officers and employees subject to the Classification Act of 1949, as amended.

EMPLOYEES IN THE LEGISLATIVE BRANCH

SEC. 1005. (a) Each officer and employee in or under the legislative branch of the Government whose rate of compensation is increased by section 5 of the Federal Employees Pay Act of 1946 shall be paid additional compensation at the rate of 7 per centum of his gross rate of compensation (basic compensation plus additional compensation authorized by law).

(b) The basic compensation of each employee in the office of a Senator is hereby adjusted, effective on October 16, 1962, to the lowest multiple of $60 which will provide a gross rate of compensation not less than the gross rate such employee was receiving immediately prior thereto, except that the foregoing provisions of this subsection shall not apply in the case of any employee if on or before the fifteenth day following the date of enactment of this Act the Senator by whom such employee is employed notifies the disbursing office of the Senate in writing that he does not wish such provisions to apply to such employee. In any case in which, at the

expiration of the time within which a Senator may give notice under this subsection, such Senator is deceased such notice shall be deemed to have been given.

(c) Notwithstanding the provision referred to in subsection (d), the rates of gross compensation of the elected officers of the Senate (except the Presiding Officer of the Senate), the Legislative Counsel of the Senate, the Official Reporters of Debates of the Senate, the Parliamentarian of the Senate, the Senior Counsel in the Office of the Legislative Counsel of the Senate, and the Chief Clerk of the Senate are hereby increased by 7 per centum.

(d) The paragraph imposing limitations on basic and gross compensation of officers and employees of the Senate appearing under the heading "SENATE" in the Legislative Appropriation Act, 1956, as amended (74 Stat. 304; Public Law 86–568), is amended to read as follows:

"No officer or employee whose compensation is disbursed by the Secretary of the Senate shall be paid basic compensation at a rate in excess of $8,880 per annum, or gross compensation at a rate in excess of $18,880 per annum, unless expressly authorized by law."

(e) The limitation on gross rate per hour per person provided by applicable law on the effective date of this section with respect to the folding of speeches and pamphlets for the Senate is hereby increased by 7 per centum. The amount of such increase shall be computed to the nearest cent, counting one-half cent and over as a whole cent. The provisions of subsection (a) of this section shall not apply to employees whose compensation is subject to such limitation.

(f) Each officer or employee of the House of Representatives, whose compensation is disbursed by the Clerk of the House of Representatives and is not increased automatically, or is not permitted to be increased administratively, by reason of any other provision of this section, shall receive additional compensation at the rate of 7 per centum of the rate of his total annual compensation in effect immediately prior to the effective date of this section.

(g) The limitations on gross rate per thousand and gross rate per hour per person provided by applicable law on the effective date of this section with respect to the folding of speeches and pamphlets for the House of Representatives are hereby increased by 7 per centum. The amount of each such increase shall be computed to the nearest cent, counting one-half cent and over as a whole cent.

(h) The additional compensation provided by this section shall be considered a part of basic compensation for the purposes of the Civil Service Retirement Act (5 U.S.C. 2251 and the following).

(i) Notwithstanding any other provision of this section, no rate of compensation which exceeds $21,500 shall be increased by this section, and no increase provided by this section shall cause the gross rate of compensation (basic plus additional compensation authorized by law) or the total annual compensation of any officer or employee to exceed $21,500.

(j) Insofar as the provisions of this section apply to officers and employees whose compensation is based on a monthly pay period which begins on the first day of the month, such provisions shall become effective on October 16, 1962.

SAVING PROVISION

SEC. 1006. Notwithstanding any provision of this Act, no rate of basic, gross, or total annual compensation or salary shall be reduced by reason of the enactment of this Act.

ABSORPTION OF COSTS

SEC. 1007. (a) The departments, agencies, establishments, and corporations in the executive branch shall absorb the costs of the increases in basic compensation provided by this Act to the fullest extent possible without seriously affecting the immediate execution of essential functions.

(b) No request for additional or supplemental appropriations to meet the increases in basic compensation provided by this Act shall be transmitted to the Congress unless it is accompanied by a certification of the Director of the Bureau of the Budget that the amounts requested are necessary to provide for the continued execution of essential functions of the department, agency, or corporation concerned.

(c) Pursuant to the objective of this section, heads of the executive branch activities concerned are directed to review with meticulous care each vacancy resulting from voluntary resignation, retirement, or death and to determine whether the duties of the position can be reassigned to other employees or whether the position can be abolished without seriously affecting the execution of essential functions.

(d) Nothing contained in subsection (a) of this section shall be held or considered to require (1) the separation from the service of any individual by reduction in force or other personnel action or (2) the placing of any individual in a leave-without-pay status.

EFFECTIVE DATE

SEC. 1008. Except as otherwise expressly provided, this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

CEILING PROVISION

SEC. 1009. Except as provided in section 1005, no rate of compensation which exceeds $20,000 per annum shall be increased or established by or pursuant to this Act and no increase made by or pursuant to this Act shall cause any rate of compensation to exceed $20,000 per annum.

PART III—ADJUSTMENT OF ANNUITIES

SEC. 1101. (a) The annuity of each person who, on the effective date of this section, is receiving or entitled to receive an annuity from the civil service retirement and disability fund shall be increased by 5 per centum of the amount of such annuity.

(b) The annuity of each person who receives or is entitled to receive an annuity from the civil service retirement and disability fund commencing during the period which begins on the day following the effective date of this section and ends five years after such date, shall be increased in accordance with the following table:

If the annuity commences between—	*The annuity shall be increased by—*
January 2, 1963, and December 31, 1963	*4 per centum*
January 1, 1964, and December 31, 1964	*3 per centum*
January 1, 1965, and December 31, 1965	*2 per centum*
January 1, 1966, and December 31, 1966	*1 per centum*

(c) In lieu of any other increase provided by this section, the annuity of a survivor of a retired employee or Member of Congress who received an increase under this section shall be increased by a percentage equal to the

percentage by which the annuity of such employee or Member was so increased.

(d) No increase provided by this section shall be computed on any additional annuity purchased at retirement by voluntary contributions.

(e) The limitation reading "or (3) the sum necessary to increase such annuity, exclusive of annuity purchased by voluntary contributions under the second paragraph of section 10 of this Act, to $2,160" contained in section 8(c)(1) of the Civil Service Retirement Act of May 29, 1930, as amended by the Acts of July 16, 1952 (66 Stat. 722; Public Law 555, Eighty-second Congress), and August 31, 1954 (68 Stat. 1043; Public Law 747, Eighty-third Congress), shall not be effective on or after the effective date of this section.

(f) The limitation contained in the next to the last sentence of section 8(d)(1) of the Civil Service Retirement Act of May 29, 1930, as amended, as enacted by the Act of August 11, 1955 (69 Stat. 692; Public Law 369, Eighty-fourth Congress), shall not be effective on and after the effective date of this section.

(g) The increases provided by this section shall take effect on the effective date of this section, except that any increase under subsection (b) or (c) shall take effect on the beginning date of the annuity.

(h) The monthly installment of annuity after adjustment under this section shall be fixed at the nearest dollar.

Sec. 1102. (a) Section 1 of the Civil Service Retirement Act is amended by adding at the end thereof the following new subsection:

> *"(t) The term 'price index' shall mean the annual average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics."*

(b) Such Act is further amended by redesignating section 18 as 19, and by inserting after section 17 the following new section:

"COST-OF-LIVING ADJUSTMENT OF ANNUITIES

"Sec. 18. (a) After January 1, 1964, and after each succeeding January 1, the Commission shall determine the per centum change in the price index from the later of 1962 or the year preceding the most recent cost-of-living adjustment to the latest complete year. On the basis of such Commission determination, the following adjustments shall be made:

> *"(1) Effective April 1, 1964, if the change in the price index from 1962 to 1963 shall have equaled a rise of at least 3 per centum, each annuity payable from the fund which has a commencing date earlier than January 2, 1963, shall be increased by the per centum rise in the price index adjusted to the nearest one-tenth of 1 per centum.*
>
> *"(2) Effective April 1 of any year other than 1964 after the price index change shall have equaled a rise of at least 3 per centum, each annuity payable from the fund which has a commencing date earlier than January 2 of the preceding year shall be increased by the per centum rise in the price index adjusted to the nearest one-tenth of 1 per centum.*

"(b) Eligibility for an annuity increase under this section shall be governed by the commencing date of each annuity payable from the fund as of the effective date of an increase, except as follows:

> *"(1) Effective from the date of the first increase under this section, an annuity payable from the fund to an annuitant's survivor (other*

than a child entitled under section 10(d)), which annuity commenced the day after the annuitant's death, shall be increased as provided in subsection (a)(1) or (a)(2) if the commencing date of annuity to the annuitant was earlier than January 2 of the year preceding the first increase.

"(2) Effective from its commencing date, an annuity payable from the fund to an annuitant's survivor (other than a child entitled under section 10 (d)), which annuity commences the day after the annuitant's death and after the effective date of the first increase under this section, shall be increased by the total per centum increase the annuitant was receiving under this section at death.

"(3) For purposes of computing an annuity which commences after the effective date of the first increase under this section to a child under section 10(d), the items $600, $720, $1,800, and $2,160 appearing in section 10(d) shall be increased by the total per centum increase allowed and in force under this section, and, in case of a deceased annuitant, the items 40 per centum and 50 per centum appearing in section 10(d) shall be increased by the total per centum increase allowed and in force under this section to the annuitant at death. Effective from the date of the first increase under this section, the provisions of this paragraph shall apply as if such first increase were in effect with respect to computation of a child's annuity under section 10(d) which commenced between January 2 of the year preceding the first increase and the effective date of the first increase.

"(c) No increase in annuity provided by this section shall be computed on any additional annuity purchased at retirement by voluntary contributions.

"(d) The monthly installment of annuity after adjustment under this section shall be fixed at the nearest dollar."

SEC. 1103. (a) Section 9(g) of the Civil Service Retirement Act is amended to read as follows:

"(g) The annuity as hereinbefore provided (excluding any increase because of retirement under section 7) for any married employee or Member retiring under this Act, or any portion of such annuity designated in writing for purposes of section 10(a)(1), shall be reduced by 2½ per centum of so much thereof as does not exceed $3,600 and by 10 per centum of so much thereof as exceeds $3,600, unless the employee or Member notifies the Commission in writing at the time of retirement that he does not desire his wife or husband to receive an annuity as provided in section 10(a)(1)."

(b) Section 10(a)(1) of such Act is amended to read as follows:

"(1) If an employee or Member dies after having retired under any provision of this Act and is survived by a wife or husband to whom the employee or Member was married at the time of retirement, such wife or husband shall be paid an annuity equal to 55 per centum of an annuity computed as provided in subsections (a), (b), (c), (d), (e), and (f) of section 9, as may apply with respect to the annuitant, or of such portion thereof as may have been designated in writing for such purpose by the employee or Member at the time of retirement, unless the employee or Member has notified the Commission in writing at the time of retirement that he does not desire his wife or husband to receive such annuity."

(c) Section 10(b) of such Act is amended by striking out "50 per centum" and inserting in lieu thereof "55 per centum".

(d) Section 10(c) of such Act is amended by striking out "50 per centum" and inserting in lieu thereof "55 per centum".

(e) Section 10(e) of such Act is amended by striking out "50 per centum" and inserting in lieu thereof "55 per centum".

(f)(A) Section 1(j) of the Civil Service Retirement Act is amended by substituting a comma for the period at the end thereof and adding the following: "or such unmarried child between eighteen and twenty-one years of age who is a student regularly pursuing a full-time course of study or training in residence in a high school, trade school, technical or vocational institute, junior college, college, university, or comparable recognized educational institution. A child whose twenty-first birthday occurs prior to July 1 or after August 31 of any calendar year, and while he is regularly pursuing such a course of study or training, shall be deemed for the purposes of this paragraph and section 10(d) to have attained the age of twenty-one on the first day of July following such birthday. A child who is a student shall not be deemed to have ceased to be a student during any interim between school years if the interim does not exceed four months and if he shows to the satisfaction of the Commission that he has a bona fide intention of continuing to pursue a course of study or training in the same or different school during the school semester (or other period into which the school year is divided) immediately following the interim."

(B) The third sentence of section 10(d) of the Act is amended to read as follows: "The child's annuity shall commence on the day after the employee or Member dies, and such annuity granted under this Act or under the Act of May 29, 1930, as amended from and after February 28, 1948, or any right thereto shall terminate on the last day of the month before (1) his attaining age eighteen unless incapable of self-support, age (2) his becoming capable of self-support after eighteen, (3) his marriage, or (4) his death, except that the annuity of a child who is a student as described in section 1(j) shall terminate on the last day of the month before (1) his marriage, (2) his death, (3) his ceasing to be such a student, or (4) his attaining age twenty-one."

Sec. 1104. Notwithstanding any other provision of law, the benefits made payable under the Civil Service Retirement Act by reason of the enactment of this part shall be paid from the civil service retirement and disability fund.

Sec. 1105. Section 1101 of this part shall take effect on January 1, 1963. The amendments made by section 1103 (except subsection (f)) shall not apply in the case of employees or Members retired or otherwise separated prior to the date of enactment of this Act, and the rights of such persons and their survivors shall continue in the same manner and to the same extent as if these amendments had not been enacted.

And the Senate agree to the same.

Tom Murray,
James H. Morrison,
Robert J. Corbett,
Managers on the Part of the House.

Olin D. Johnston,
Mike Monroney,
Frank Carlson,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7927) entitled "An act to adjust postal rates, and for other purposes," submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The committee of conference recommends that the House recede from its disagreement to the amendment of the Senate with an amendment which is a substitute for both the text of the House bill and the text provided by the Senate amendment and that the Senate agree to the same.

The text of the House bill related only to postal rates.

The Senate amendment to the House text consisted of three parts.

Part I of the Senate amendment, consisting of three titles, related to postal rates. Title I of part I covered postal rate increases. Title II of part I contained amendments to the postal policy provisions of the postal laws. Title III of part I contained certain miscellaneous amendments to the postal laws.

Part II of the Senate amendment, consisting of six titles, related to Federal salary reform. Title I of part II contained a statement of policy with respect to Federal salary reform. Title II of part II contained provisions revising the pay system of the Classification Act of 1949, as amended. Title III of part II revised the compensation schedules of title 39, United States Code, and contained certain related provisions, with respect to postal field service employees. Title IV of part II of the Senate amendment contained salary increases for physicians, dentists, and nurses, and other personnel of the Department of Medicine and Surgery of the Veterans' Administration. Title V of part II revised the salary rates for personnel in the Foreign Service under the Department of State prescribed by the Foreign Service Act of 1946, as amended. Title VI of part II contains certain miscellaneous salary provisions which, in effect, revise the compensation rates for the following groups of employees: (1) certain scientific and professional employees; (2) agricultural stabilization and conservation county committee employees; (3) assistant U.S. attorneys; (4) employees in the judicial branch; (5) employees in the legislative branch.

Part III of the Senate amendment contained provisions making adjustments in annuities under the Civil Service Retirement Act, as amended.

The conference substitute, with the exceptions to be noted, is in general the same as the Senate amendment. Except for technical and minor drafting changes, the differences between the text of the House bill and the conference substitute are discussed below.

Summary of Major Provisions of Conference Substitute

INCREASED POSTAL REVENUE

Postal revenue will be increased by $600.3 million per annum when all of the postal rate adjustments provided by part I of the conference substitute are placed in effect. Such increased revenue and the public service policy provisions of the conference substitute will—when adjustment in rates and conditions of mailability of fourth-class mail for which the Postmaster General has petitioned the Interstate Commerce Commission (as required by law) shall be approved—eliminate the postal deficit.

Such increased postal revenue provided by part I of the conference substitute is approximately $20 million less than the aggregate annual increased postal revenue of $620 million which would have been provided by the postal rate adjustment bill recommended to the House of Representatives by the Postmaster General and presented for consideration by the chairman of the House Committee on Post Office and Civil Service on January 23, 1962.

A table comparing present and proposed postal rates follows:

Comparison of present and proposed postal rates (new revenues based on 1963 volume)

[New revenues based on 1963 volume]

Mail class	Postage rate unit	Present rate	First year (1963)		Second year (1964)		Third year (1965)	
			Rate	New revenues	Rate	New revenues	Rate	New revenues
				Millions		*Millions*		*Millions*
First class:								
Letters	Per ounce	4 cents	5 cents	$409.6	5 cents	$409.6	5 cents	$409.6
Drop letters	do	3 cents	4 cents	1.8	4 cents	1.8	4 cents	1.8
Cards	Per card	3 cents	4 cents	26.4	4 cents	26.4	4 cents	26.4
Total				437.8		437.8		437.8
Airmail:								
Letters	Per ounce	7 cents	8 cents	16.0	8 cents	16.0	8 cents	16.0
Cards	Per card	5 cents	6 cents	.3	6 cents	.3	6 cents	.3
Parcel post	Per pound	By zones [1]	(1) (2)	4.9	(1) (2)	4.9	(1) (2)	4.9
Total				21.2		21.2		21.2
Second class:								
In-county:								
Free mail	Per pound	Free	1 cent (lb.)	.9	1 cent (lb.)	.9	1¼ cents (lb.)	1.5
Pound-rate matter	do	1 cent	⅛ cent (min.)		⅛ cent (min.)		⅛ cent (min.)	
	Minimum per copy	⅛ cent						
Per-copy-rate matter	Per copy	1 cent or 2 cents.	Present rates	.3	Present rates	.3	Present rates	.3
Outside county:								
Regular publications:			3 annual 4 percent increases					
Editorial	Per pound	2½ cents	2.6 cents (lb.)		2.7 cents (lb.)		2.8 cents (lb.)	
Advertising:			3 annual 10 percent increases (adjusted)					
Zones 1 and 2	do	3 cents	3.4 cents (lb.)	6.4	3.8 cents (lb.)	14.2	4.2 cents (lb.)	22.6
Zone 3	do	4 cents	4.4		4.8		5.2	
Zone 4	do	6 cents	6.4		6.8		7.2	
Zone 5	do	8 cents	8.4		8.8		9.2	
Zone 6	do	10 cents	10.4		10.8		11.2	
Zone 7	do	12 cents	12.0		12.0		12.0	
Zone 8	do	14 cents	14.0		14.0		14.0	
	Minimum per copy	½ cent	0.6 cent (min.) [4]		0.8 cent (min.) [4]		1 cent (min.) [4]	
Nonprofit publications	Per pound	1½ cents	1.6 cents (lb.)	.8	1.7 cents (lb.)	.6	1.8 cents (lb.)	.9
	Minimum per copy	⅛ cent	⅛ cent (min.)		⅛ cent (min.)		⅛ cent (min.)	

Classroom publications:			60 percent of regular rates					
Editorial	Per pound	1½ cents						
Advertising:								
Zones 1 and 2	do	1½ cents						
Zone 3	do	2 cents						
Zone 4	do	3 cents						
Zone 5	do	4 cents		.3		.6		1.0
Zone 6	do	5 cents						
Zone 7	do	6 cents						
Zone 8	do	7 cents						
	Minimum per copy	⅛ cent						
Transient rate	1st 2 ounces	2 cents	4 cents	1.1	4 cents	1.1	4 cents	1.1
	Each additional ounce	1 cent	1 cent		1 cent		1 cent	
Fees:								
Original entry—circulation under 2,000		$25	$30		$30		$30	
Original entry—circulation 2,000–5,000		$50	$60		$60		$60	
Original entry—circulation over 5,000		$100	$120		$120		$120	
Reentry		$10	$10	.03	$10	.03	$10	.03
Additional entry		$10	$15 (zones 3–8, $50)		$15 (zones 3–8, $50)		$50 (zones 3–8, $50)	
News agent registry		$20	$25		$25		$25	
Total				9.3		17.7		27.4
Controlled circulation	Per pound	12 cents	12½ cents	.3	13 cents	.6	13½ cents	1.0
	Minimum per piece	1 cent	1 cent		1 cent		1 cent	
Total				.3		.6		1.0
Third class:								
Single piece	1st 2 ounces	3 cents	4 cents	34.5	4 cents	34.5	4 cents	34.5
	Each additional ounce	1½ cents	2 cents	10.3	2 cents	10.3	2 cents	10.3
Bulk rate:								
Regular:								
Circulars, etc	Per pound	16 cents	18 cents	3.1	18 cents	3.1	18 cents	3.1
	Minimum per piece	2½ cents	2⅝ cents	13.2	2⅝ cents	26.3	2⅞ cents	39.5
Books, catalogs, etc	Per pound	10 cents	12 cents	3.9	12 cents	3.9	12 cents	3.9
	Minimum per piece	2½ cents	2⅝ cents	.5	2⅝ cents	1.0	2⅞ cents	1.5
Nonprofit:								
Circulars, etc	Per pound	16 cents	9 cents		9 cents		9 cents	
	Minimum per piece	1¼ cents	1¼ cents	—1.7	1¼ cents	—1.7	1¼ cents	—1.7
Books, catalogs, etc	Per pound	10 cents	6 cents		6 cents		6 cents	
	Minimum per piece	1¼ cents	1¼ cents		1¼ cents		1¼ cents	
Bulk mailing fee	Calendar year	$20	$30	2.6	$30	2.6	$30	2.6
Total				66.4		80.0		93.7

See footnotes at end of table, p. 48.

Comparison of present and proposed postal rates (new revenues based on 1963 volume)—Continued

Mail class	Postage rate unit	Present rate	First year (1963)		Second year (1964)		Third year (1965)	
			Rate	New revenues	Rate	New revenues	Rate	New revenues
				Millions		*Millions*		*Millions*
Fourth class:								
Educational materials	1st pound	9 cents	9½ cents	$0.5	10 cents	$1.0	10 cents	$1.0
	Each additional pound	5 cents	5 cents		5 cents		5 cents	
Library materials	1st pound	4 cents	Present rates		Present rates		Present rates	
	Each additional pound	1 cent						
Total				.5		1.0		1.0
Keys, etc	Each 2 ounces	5 cents	6 cents	.1	6 cents	.1	6 cents	.1
Federal Government mail	Applicable class rates			20.5		21.0		21.0
Permit fees for mailing without stamps		$10	$15	.2	$15	.2	$15	.2
Mail mix adjustment				−3.0		−3.0		−3.0
Total new postal revenues, all classes				553.2		576.5		600.3
Estimated public service allowances				[3] 375.0		[3] 374.0		[3] 373.0

[1] Air parcel post law requires payment of not less than 1st-class rates for 1st class sent by air.

[2] Present parcel post schedule plus 8 cents per piece. First-class matter above 8 ounces, 64 cents for first 8 ounces plus 5 cents for each additional ounce or the published parcel post rate if higher.

[3] Consists of total loss on free and reduced rate mail, additional public service on in-county mail, and the amount deemed attributable to third- and fourth-class post offices and rural and star routes.

[4] When number of copies mailed for delivery outside the county is fewer than 5,000, the minimum per copy is ½ cent.

On magazines containing less than 5 percent advertising the minimum charge per copy is 0.55 of a cent during 1963, 0.65 of a cent during 1964, and 0.75 of a cent thereafter.

SALARY INCREASES

Part II of the conference substitute places in effect major provisions of the Federal statutory salary reform proposal submitted to the Congress by the President earlier in the current session. The essential requirements of comparability of Federal and private enterprise salary rates, internal alinement of Federal salary schedules, and annual review and adjustment of salaries recommended by the President are provided by part II of the conference substitute. The chief differences between such part of the conference substitute and the President's recommendations are (1) salary adjustments under the conference substitute are in two phases, spaced 15 months apart, instead of three annual phases as recommended by the President, and (2) the three highest grades of the Classification Act of 1949 and the three highest levels of the postal field service schedule receive only one upward adjustment, leaving the final determination of the appropriate salaries for such grades and levels for consideration in the next Congress.

The conference substitute also provides comparable salary adjustments for employees in the judicial branch, agricultural stabilization and conservation county committee employees, congressional employees, and employees whose rates of compensation are fixed by administrative action. This is in conformity with the policy adopted by the Congress in all recent salary increase legislation.

The conference substitute provides salary increases which, when all are in effect, will average 11.2 percent for postal field service employees and 9.6 percent for classified employees and certain others.

COST OF SALARY INCREASES

The annual cost of the salary reform provisions of the conference substitute will be $1.049 billion beginning with the calendar year 1964, when the salary adjustments provided for therein become fully effective. The salary reform legislation recommended by the President would have cost $1.054 billion a year beginning in the calendar year 1965. The annual cost of Federal civilian salary reform provisions contained in H.R. 9531, as reported favorably by the House Committee on Post Office and Civil Service but not acted upon by the House, would have been $1.469 billion beginning with the calendar year 1964—a difference of $420 million savings under the conference substitute.

CIVIL SERVICE RETIREMENT ANNUITIES

Part III of the conference substitute—

1. Provides a 5-percent increase, effective January 1, 1963, in all annuities then payable from the civil service retirement fund which commenced on or before that date.
2. Applies the increase on a graduated reduction basis to all annuities which commence in the 4-year period following January 1, 1963, in keeping with the practice followed in the last previous enactment of this kind.
3. Provides that the proper proportion of the increase granted an annuitant will accrue to his survivors.
4. Excludes from the increase annuity amounts purchased by voluntary contributions.

90190—62——4

5. Removes the ceilings on increases imposed by certain previous enactments.

6. Provides for future adjustments in the event the calendar year average of the monthly Consumer Price Index of the Bureau of Labor Statistics increases not less than 3 percent.

7. Raises from $2,400 to $3,600 the portion of annuity to which the reduction of 2½ percent applies when electing survivorship benefits.

8. Increases the ratio of survivorship benefits from 50 to 55 percent.

9. Reverses present procedure by providing that in the future survivorship benefits will be automatic unless an adverse election is made.

10. Extends the right of membership benefits for children to the end of any school year in which a child attains the age of 21 years so long as the child pursues full-time studies in a school, college, university, or comparable recognized educational institution. This change is in keeping with provisions of veterans' benefit laws.

Differences Between the Text of the House Bill and the Conference Substitute

PART I.—POSTAL SERVICE

TITLE I.—POSTAL RATES

Both the House bill and part I of the conference substitute provide increases in postal rates and certain changes in the public service features of postal policy under chapter 27 of title 39, United States Code.

First-Class Mail

Section 3 of the House bill and section 101 of the conference substitute both provide for increases in the rate on first-class letter mail from 4 to 5 cents for each ounce or fraction of an ounce, in the rate on drop letters from 3 to 4 cents for each ounce or fraction of an ounce, and in the rate on each post card and each postal card from 3 to 4 cents.

Airmail

The amendments made by section 4 of the House bill increase the postage rates on airmail letters from 7 cents to 8 cents for each ounce or fraction thereof and on airmail postal and post cards from 5 cents to 6 cents. The existing requirement of minimum first-class ounce rates for air parcel post first-class matter is retained, but the existing minimum rate of 3 cents an ounce on such matter is eliminated.

Section 102 of the conference substitute increases the postage rate on airmail letters from 7 to 8 cents for each ounce or fraction thereof, and on airmail postal and post cards from 5 to 6 cents.

In keeping with the increase of 8 cents on airmail weighing 8 ounces, the first pound rate for air parcel post (other than first-class matter) is increased 8 cents. Air parcel post rates for first-class matter will be the regular 8-cents-an-ounce rate for each of the first 8 ounces, and the regular first-class letter rate of 5 cents an ounce for each ounce or fraction thereof over 8 ounces, but in no case less than the air parcel post rate for other matter.

Second-Class Mail Within County of Publication

Section 5 of the House bill removes the requirement, in connection with free-in-county mail, that publications must be printed in the county in which published.

Section 103 of the conference substitute eliminates free-in-county mailings and extends to all such within-county mailings for calendar years 1963 and 1964 the existing 1 cent per pound and one-eighth cent minimum charge now applicable to certain categories of within-county mailings. At the start of calendar year 1965, the pound rate would be increased to 1 and one-fourth cents. The minimum charge per piece would remain at one-eighth cent. Existing per-copy rates applicable to publications issued less frequently or more frequently than once a week when mailed for delivery by letter carrier at the office of mailing are left unchanged.

Second-Class Mail Beyond County of Publication

Section 6 of the House bill imposes a piece rate charge of one-half cent effective July 1, 1962, and a piece rate charge of 1 cent effective July 1, 1963, to be paid in addition to existing pound rates.

Section 104(a) of the conference substitute increases second-class pound rates and the minimum charge per piece of publications for delivery outside the county of publication except that the current minimum charge of one-half cent per copy is not changed in the case of publications mailing less than 5,000 copies per issue outside the county of publication. The increase in pound rates on the nonadvertising portion is in three annual increments of 4 percent each year. The increase in pound rates on the advertising portion is in three annual increments of 0.4 cent each. The schedule provides increases after 3 years of 40 percent in zones 1 and 2; 30 percent in zone 3; 20 percent in zone 4; 15 percent in zone 5; and 12 percent in zone 6. The existing rates of 12 cents and 14 cents in zones 7 and 8, respectively, are not changed.

Any issue of a publication the advertising portion of which does not exceed 5 per centum of the entire issue will pay .55 of a cent per piece when mailed after January 6, 1963, and prior to January 1, 1964, .65 of a cent per piece when mailed during calendar year 1964, and .75 of a cent per piece when mailed after December 31, 1964.

Subsection (a) except as noted above also increases the minimum charge on the above publications in annual increments over a 3-year period from one-half cent to six-tenths of a cent, eight-tenths of a cent, and 1 cent respectively.

Subsection (a) also fixes the postage rate on classroom publications at 60 percent of the regular rate. The rate applicable to the total content of publications of qualified nonprofit organizations (advertising and nonadvertising portions alike) is maintained at 1 cent per pound less than the pound rate applicable to the nonadvertising portion of regular publications. This produces a rate for these publications of less than 50 percent of the pound rates described above and the minimum per piece rate is retained at the present one-eighth cent.

Subsection (b) of section 104 extends the nonprofit rate to publications of official State highway agencies which meet all requirements for second-class entry and which contain no advertising. However, only one such publication in any State could be mailed at this rate.

Also, the nonprofit rate is extended to associations of rural electric cooperatives.

Subsection (c) repeals existing law to the extent necessary to give effect to the changes in rates discussed above.

Second-Class Transient Mail

Section 105 of the conference substitute increases the postage rate on the first 2 ounces of transient mail from 2 to 4 cents.

The House bill has no comparable provision relating to transient mail.

Controlled Circulation Publications

Section 8 of the House bill increases the rate to be paid by controlled circulation publications from 12 cents a pound to 14 cents a pound.

Section 106 of the conference substitute increases the pound rate on controlled circulation publications from 12 to 12½ cents the first year, to 13 cents the second year, and to 13½ cents thereafter.

Third-Class Mail

Section 9 of the House bill provides increases in rates for third-class mail as follows:

(1) The piece rate on single mailings is increased from 3 cents on the first 2 ounces or fraction thereof to 4 cents.

(2) The pound rate on all matter mailed in bulk (except books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants) is increased from 16 to 21 cents. The pound rate on books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants is increased from 10 to 18 cents except in the case of mailings by qualified nonprofit organizations which remains at 10 cents. The minimum rate per piece for other than qualified nonprofit organizations is increased from 2½ cents to 3½ cents.

(3) The minimum rate on pieces of odd size is increased from 3½ cents to 4½ cents.

Section 107 of the conference substitute provides increases as follows in rates for third-class mail:

(1) The piece rate on single mailings is increased from 3 cents on the first 2 ounces or fraction thereof and 1½ cents on each additional ounce or fraction thereof to 4 and 2 cents, respectively.

(2) The pound rate on all matter mailed in bulk (except books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions and plants) is increased from 16 to 18 cents. The pound rate on books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions and plants is increased from 10 to 12 cents. The minimum rate per piece in either instance is increased in three annual increments—first to 5⅝ cents, a year later to 2⅞ cents, and a year following that to 2⅞ cents.

Section 107 continues in effect the present minimum per piece charge on bulk third-class mailings by qualified nonprofit organizations and provides that the pound rates for such mailings shall be 50 percent of the regular pound rates for bulk third-class mailings as embodied in the conference agreement.

In addition to the foregoing, this section raises the fee for a third-class bulk mailing permit from $20 to $30 and increases the minimum weight requirement from 20 to 50 pounds. This should have been adjusted in 1958 when the weight for third-class mail was increased from 8 to 16 ounces. One of the requirements for the bulk third-class pound rates is that such mail be in quantities of 20 pounds or of not less than 200 pieces. When the weight limit was 8 ounces a minimum of 40 such pieces was necessary, but when the weight limit was raised to 16 ounces only 20 such pieces was necessary to comply with the minimum weight limit. This is entirely too small a number of pieces to justify the bulk pound rate. Thus, in the future, to obtain the bulk third-class rate, it will be necessary to mail a minimum of 50 pounds or 200 pieces.

Fourth-Class Mail

Section 108 of the conference substitute restores to the States of Alaska and Hawaii the benefits of certain provisions relating to the maximum size and weight of fourth-class parcels mailed at or for delivery at first-class post offices which they enjoyed prior to their admission as States. Under these provisions, such parcels could be as large as 100 inches in length and girth combined and could weigh as much as 70 pounds. These are the maximums which are already applicable generally to parcels mailed at or for delivery at second-, third-, and fourth-class post offices or rural and star routes, and to parcels mailed at or for delivery at Army, Air Force, or Fleet Post Offices. The conditions which led to the original extension of these maximums to Alaska and Hawaii while in territorial status have not been altered by statehood and those maximums should be restored.

Section 109.—This section provides an increase in fourth-class postage rates on books, films, and similar educational materials from 9 cents for the first pound to 9½ cents during the first year and to 10 cents thereafter. The existing rate of 5 cents on each additional percent will continue without change.

The postage rates on fourth-class library materials would remain at 4 cents on the first pound and 1 cent for each additional pound.

The House bill contains no provisions similar to sections 108 or 109 of the conference substitute.

Fees for Second-Class Entry and Registration

The House bill made no change in fees for second-class mail.

Section 110 of the conference substitute provides increases as follows in second-class mailing fees:

	Existing fee	Proposed fee
Circulation:		
Not over 2,000	$25	$30
2,000 to 5,000	50	60
Over 5,000	100	120
Reentry	10	15
Additional entry	10	[1] 15 [2] 50
News agent	20	25

[1] Zones 1 and 2.
[2] Zones 3 to 8.

Permit Fees for Mailing Without Stamps

Section 111 of the conference substitute increases from $10 to $15 the permit fee for mailing without stamps.

The House bill contains no provisions on this matter.

Fixing of Fees by Postmaster General

Section 112 of the conference substitute gives the Postmaster General the authority to adjust second-class entry and registration fees and permit fees for mailing with printed postage indicia in the future.

The House bill contains no provisions on this matter.

Keys and Other Small Articles

Section 113 of the conference substitute increases from 5 cents for each 2 ounces to 6 cents for each 2 ounces the postage rate on keys and other small articles mailed without the prepayment of postage. The House bill contains no such provisions.

Method of Determining Gross Receipts

Section 11 of the House bill and section 114 of the conference substitute both provide that increased revenues derived from the rate increases shall be excluded in determining compensation and allowances of postmasters and other employees and classes of post offices.

This is similar to the provision contained in the 1958 Postal Increase Act.

Qualifications of Postmasters

Section 115 of the conference substitute requires the Civil Service Commission, in evaluating the qualifications of applicants for positions of postmaster, to give appropriate consideration to experience in the postal field service.

The House bill contains no provisions on this matter.

TITLE II—POSTAL POLICY

Section 2 of the House bill revises and strengthens the statement of congressional policy with respect to postal rates and fees originally enacted as the Postal Policy Act of 1958 and now contained in chapter 27 of title 39, United States Code.

Subsection (a) clarifies and strengthens the language of such policy with respect to the determination of postal expenses attributable to the performance of public service by the Postal Establishment.

Subsection (b) makes several important changes in the existing provisions of law with respect to identification of public services rendered by the Postal Establishment and the determination of the costs of such public services which shall be excluded from postal expenses for purposes of fixing postal rates and fees.

The first such change (sec. 2(b) (1) and (2)) provides that "the estimated calculated loss" from operation of third- and fourth-class post offices, star routes, and rural routes shall be held and considered to be an item of public service rendered by the Postal Establishment.

Under present law, the "loss" on star routes and third- and fourth-class post offices is designated as an item of public service.

The second such change (sec. 2(b)(3)) supplies a needed clear definition of the terms "loss" and "total loss" as applied to revenues and expenses of the public service items specified in the law—a definition which was not included in the Postal Policy Act of 1958. This definitive language, coupled with the remaining provisions of section 2 of the bill, will provide standards and guidelines which are necessary for the Postmaster General to determine the amount of public service charges to be excluded from postal expenses each year for purposes of considering the need for adjustments in postal rates and fees.

The amendment made by section 2(c) requires the Postmaster General, on or before February 1 of each year beginning with the year 1962, to report to the Congress the amount by which costs of the public service items set forth in the postal policy provisions exceed revenues from such public service items and specifies, further, that the amount so determined and reported shall be excluded from the total cost of postal operations for purposes of adjustment of postal rates and fees. The last sentence of the amendment requires that the amount so determined and reported (and thus excluded from total operating costs for rate and fee purposes) shall be not less than 7½ percent of the total current budget of the Post Office Department.

The amendment made by section 2(d) is a technical amendment which conforms the table of contents of the appropriate chapter of title 39, United States Code, with the amendments made by the remainder of section 2 of the bill.

Section 201 of the conference substitute makes changes necessary to clarify and strengthen the statement of congressional policy with respect to postal rates and fees contained in chapter 27 of title 39, United States Code. Further, certain technical changes are made necessary by the elimination of free-in-county mailing under section 104. This section resolves a problem of long standing by providing a formula for use in determining the amount that shall be considered public service costs in the operation of star and rural routes and third- and fourth-class post offices. The conference substitute provides that 10 percent of the gross cost of the operation of third-class post offices and the star route system, and 20 percent of the gross cost of the operation of fourth-class post offices and rural routes shall be attributable to public service.

TITLE III—MISCELLANEOUS

Eligibility of Certain Organizations for Second-Class Entry

Section 301 of the conference substitute adds publications of State industrial development agencies and public or nonprofit elementary and secondary schools to the list of those entitled to second-class entry without the necessity of having a bona fide list of regular subscribers.

The House bill contains no provisions on this matter.

Educational Materials

Section 10 of the House bill makes certain technical changes in the preferential educational and library material rate listings to reflect

the substantive changes made by Public Law 86–644, approved July 14, 1960. The subsection also supplies corrective language to clarify the purpose and intent of that part of section 4554(c) of title 39, United States Code, which extends the preferential library materials rates to scientific or matematical kits, instruments, and devices, and catalogs and guides or scripts relating to their use. The existing preferential rates of 9 cents a pound for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof on educational materials and 4 cents a pound for the first pound or fraction thereof and 1 cent a pound for each additional pound or fraction thereof on library materials are retained.

Section 302 of the conference substitute provides corrective language to clarify the purpose and intent of that part of section 4554(c) of title 39 relating to the inclusion of guides, scripts, and catalogs with scientific or mathematical kits, instruments, or devices and sound recordings.

The conference substitute adds looseleaf pages, and binders therefor, consisting of medical information for distribution to doctors, hospitals, medical schools, and medical students to the educational materials category.

Reading Matter and Other Materials for Blind Persons

Section 303 of the conference substitute revises sections 4653 and 4654 of title 39, United States Code, which relate to the mailing of reading and other materials for the use of blind persons. The changes made in these sections are designed to accomplish the following:

(1) Existing law permits the free mailing to blind persons of books with raised type and recordings. This section would add books printed in sightsaving size type to this category. It would also make clear that the term "recordings" includes sound tapes.

(2) Under present law public libraries and public institutions for the blind may mail free of postage books being loaned to blind persons. This section extends this privilege to any nonprofit organizations which lends books to the blind.

(3) Extends the same free mailing treatment to reading materials mailed to nonprofit organizations for the use of blind persons as when sent directly to the blind persons.

(4) Existing law permits magazines furnished to blind persons at cost to be mailed at the rate of 1 cent a pound. This section extends that rate to other reading materials furnished to blind persons at cost. It also makes it applicable where the materials are sent to nonprofit organizations for the use of blind persons.

(5) Under present law sound reproduction devices owned by the United States which have been loaned to blind persons may be returned by those persons for repair at a postage rate of 1 cent a pound. The Postmaster General has authority to extend this rate to reproducers owned by States, public libraries, nonprofit agencies, and blind persons themselves. This section would eliminate the 1-cent-a-pound charge and permit free mailing of these devices. It also authorizes the Postmaster General, in his discretion, to extend free mailing privilege to the sending by State agencies, public libraries, private nonprofit agencies for the blind, and blind persons themselves, of paper, records, tapes, and other materials owned by them for use by the recipients for the production of reading matter in raised characters or sight

saving size type, or in the form of recordings, for the use of blind persons. The House bill has no similar provision.

Repeals and Technical Amendments

Section 9(c) of the House bill and section 304 of the conference substitute repeal section 3 of the act of October 30, 1956 (Public Law 86–56). Also, paragraph (3) of the conference substitute repeals the following substantive provisions of law:

(1) Section 4361 of title 39, which authorizes publishers to mail proofs of advertisements at second-class zone rates applicable to advertising portions.

(2) Section 4652 of title 39, which permits public mailing of the Congressional Record from the District of Columbia at the rate of 1 cent per copy.

Communist Political Propaganda

Section 12 of the House-passed bill contains a provision which would amend section 505 of title 39, United States Code (international postal arrangements) for the purpose of excluding Communist political propaganda from the U.S. mails.

This section in the House bill also contains provisions designed to accomplish this purpose with respect to mail originating within the United States as well as mail originating outside the United States. Under these provisions mail matter determined by the Attorney General to be Communist political propaganda which is financed or sponsored by a Communist-controlled government is nonmailable within the United States, except as fourth-class mail.

During extensive hearings on section 12 of H.R. 7927, widely divergent views were expressed as to the need for such a provision and the form any such provision should take. Following extended deliberations in executive session, the committee has agreed upon what it considers to be an appropriate substitute which meets many of the objections expressed during the hearings, and which is designed to provide a workable solution to the problem of Communist political propaganda arriving for distribution in the United States.

Section 305 of the conference substitute consist of a modification of S. 2740, introduced by Senator Bush on January 25, 1962, which would have had the effect of reinstating the program of screening Communist political propaganda substantially as that program was conducted prior to March 17, 1961.

Section 305 of the conference substitute provides for a program under which, with certain exceptions, Communist political propaganda coming into the United States from foreign countries would be intercepted and would be delivered only upon the request of the addressee within a reasonable time, which shall not exceed 60 days.

Section 305 specifically provides that mail matter, except sealed letters, originating in a foreign country and which is determined by the Secretary of the Treasury to be Communist political propaganda, shall be detained by the Postmaster General upon its arrival for delivery in the United States, or upon its subsequent deposit in the U.S. domestic mails, and the addressee shall be notified that such matter has been received. Such detention would not be required in the case of any matter which is otherwise ascertained by the Postmaster General to be desired by the addressee.

Exempted would be matter addressed to Government agencies, to libraries, or to colleges, universities, graduate schools, scientific or professional institutions for advanced studies, or any individual connected therewith. Likewise, material addressed for delivery in the United States pursuant to a reciprocal international agreement under which the U.S. Government mails an equal amount of material for delivery in a Communist country, would be exempted.

In order to furnish guidelines to the Secretary of the Treasury as to what constitutes Communist political propaganda, the entire definition of political propaganda contained in the Foreign Agents Registration Act of 1948 is incorporated by reference and related to matter issued by or on behalf of any country from which tariff concessions have been withdrawn under section 5 of the Trade Agreement Extension Act of 1951 or section 231 of the Trade Expansion Act of 1962, or which is denied assistance under section 620(f) of the Foreign Assistance Act of 1961, as amended.

Effective Date

Section 13 of the House bill provides an effective date of July 1, 1962. Section 306 of the conference substitute provides that, except as otherwise provided, the provisions of Part I—Postal Service shall become effective January 7, 1963.

Obscene Matter Distributed by Mail

The House bill has no provisions on this subject.

Section 307 of the conference substitute authorizes the Postmaster General to detain and dispose of mail containing obscene, lewd, lascivious, or indecent matter.

PART II—FEDERAL SALARY REFORM

Part II of the conference substitute relates to Federal salary reform.

TITLE I—GENERAL POLICY

Title I of part II contains a statement of Federal salary policy.

Section 501 provides that part II may be cited as the "Federal Salary Reform Act of 1962."

Section 502 sets forth the policy of the Congress that pay of Federal civilian personnel shall be established upon the principles of equal pay for substantially equal work with pay distinctions maintained in keeping with work and performance distinctions; and that Federal salaries shall be comparable with salaries in private enterprise for the same levels of work.

Section 503, pertaining to the implementation of the above policy, provides that the President shall have prepared and submitted to him an annual report comparing salary rates paid to Federal employees with rates paid for the same levels of work in private industry as determined through annual surveys of the Bureau of Labor Statistics of the Department of Labor. After seeking the views of employee organizations the President shall make an annual report to the Congress containing the comparison of Federal and private enterprise salary rates and such recommendations for revision of statutory salary

schedules, salary structure, and compensation policy as he deems advisable.

In further implementation of the stated salary policy, section 504 provides that whenever the President or his designee finds that the salary rates in private enterprise for an occupation in any particular location are so substantially above the salary rates of Federal statutory pay schedules as to handicap significantly the Government in recruiting and retaining well-qualified persons in positions under the pay systems of the executive branch covered by the conference substitute, the President, or his designee, may establish for such location higher minimum rates of basic compensation. Corresponding increases may be made in all step rates in the salary range for the applicable grade or level; however, the minimum salary rate established under this authority may not exceed the seventh compensation rate prescribed by law for the grade or level involved. The President may authorize the exercise of the authority conferred upon him by this section by the Civil Service Commission or, in the case of employees not subject to the civil service laws and regulations, by such other agency as he may designate.

Section 504 also provides that such rates may be revised from time to time and that such actions or revisions shall have the force and effect of law.

Section 504 further provides that any increase in basic compensation established under this section shall not be regarded as an "equivalent increase" in compensation within the meaning of section 701(a) of the Classification Act of 1949, or section 3552 of title 39, United States Code.

Policies, Rules, and Regulations of the President

Section 505 further implements the salary policy by authorizing the President to prescribe policies, rules, and standards in order to carry out the policy and purpose of the conference substitute with respect to the several Federal salary systems covered by the conference substitute and in order to provide adequate supervision and control by the President over the functions, duties, and regulations of the respective authorities in the executive branch in connection with the administration and operation of the four major salary systems and the provisions of this title.

Title II—Pay System of the Classification Act of 1949

Title II of part II of the conference substitute pertains to the pay system of the Classification Act of 1949, as amended.

Section 601 provides that title II may be cited as the "Classification Act Amendments of 1962."

Section 602 contains the compensation schedules for the General Schedule of the Classification Act of 1949, as amended, and the salary conversion rules for the two phases of the salary adjustment plan which would become effective on the first day of the first pay period which begins on or after the date of enactment (first phase) and on January 1, 1964 (second phase).

Section 602(a) prescribes the compensation schedules. The schedule contains 10 regular steps in lieu of 7 scheduled and 3 longevity rates currently provided for GS–1 through GS–10; 9 rates for

GS–11 through GS–14 in lieu of 6 scheduled and 3 longevity rates; 8 rates for GS–15 in lieu of 5 scheduled and 3 longevities; and 5 rates for GS–16 and GS–17 in lieu of the 5 rates currently provided by the Classification Act. Grade GS–18 continues to have a single rate. Because the number of regular step rates is increased, the current provisions for longevity step increases in title VII of the Classification Act of 1949 are no longer needed and are repealed in subsequent sections of the conference substitute.

Section 602(b) specifies the rules adjusting existing pay rates to the rates of the new schedules. Employees generally are to retain the same relative place within the new grade range as they had within their former grade range.

Paragraph (10) of section 602(b) provides that service immediately preceding the effective date shall be counted toward not to exceed one step increase under the time in grade provisions of section 701(a) of the Classification Act of 1949, as amended by the conference substitute.

Paragraph (11) of section 602(b) applies to each officer or employee who is receiving immediately prior to the effective date of section 602, pursuant to paragraph (4) of section 2(b) of the Federal Employees Salary Increase Act of 1955, an existing aggregate rate of compensation, determined under section 208(b) of the act of September 1, 1954 (68 Stat. 1111; Public Law 763, 83d Cong.), plus the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, by section 2 of the Federal Employees Salary Increase Act of 1958, and by section 112 of the Federal Employees Salary Increase Act of 1960. Such officer or employee will receive an aggregate rate of compensation equal to the sum of (1) his existing aggregate rate of compensation determined under the savings provisions of section 208(b) of the act of September 1, 1954, referred to above, and (2) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, and (3) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1958, and (4) the amount of the increase provided by section 112 of the Federal Employees Salary Increase Act of 1960, and (5) the amount of the increase made by section 602 under compensation schedule I in the maximum rate of his grade. This rate will remain in effect for such officer or employee until he leaves his position or until he is entitled to receive aggregate compensation at a higher rate by reason of the operation of the amendment or any other law. However, when the position becomes vacant, the aggregate rate of compensation of any later appointee thereto will be fixed in accordance with applicable provisions of law. Paragraph (11) of section 602(b) also contains a provision to the effect that, subject to the possibility that any such officer or employee may leave his position or may become entitled to aggregate compensation at a higher rate, the amount of the increase provided by section 602 is to be held and considered, for the savings purposes of section 208(b) of the act of September 1, 1954, to constitute a part of the existing aggregate rate of compensation of the officer or employee.

Step Increases

Section 603 amends title VII, "Step Increases" of the Classification Act of 1949. Title VII currently provides two types of step increases: (1) Periodic step increases under section 701, and (2) longevity step

increases beyond the scheduled maximum rate of the grade under section 703. As amended by the conference substitute, title VII provides for (1) periodic step increases, and (2) additional step increases to be granted in recognition of high quality performance.

Section 701 now provides periodic step increases, for employees below the maximum rate of the grade, for each 52 calendar weeks of service if the amount of the step increase is less than $200, or 78 weeks of service if the employee's position is in a grade in which the step increase is $200 or more. As amended, section 701(a) provides for periodic increases at all grades following the completion of (1) 52 calendar weeks of service in salary rates 1, 2, and 3, (2) 104 calendar weeks of service in salary rates 4, 5, and 6, and (3) each 156 calendar weeks of service in salary rates 7, 8, and 9.

Paragraphs (A) and (C) of section 701(a) which relate to eligibility for step increases are in existing law. Paragraph (B) requires, as a prerequisite to within-grade advancement, that the employee's work is of an acceptable level of competence in contrast with the present wording that the employee has a current performance rating of "satisfactory" or better.

Subsection (b) of the revised section 701 is present law.

The new section 702 of the Classification Act of 1949 in the conference substitute authorizes, in subsection (a), additional step increases in recognition of high quality performance above that ordinarily found in the type of position concerned. Such additional step increases could be made in accordance with regulations prescribed by the Civil Service Commission and, under subsection (b), would be limited to not more than one within any period of 52 weeks.

Current provisions of sections 703 and 704 of the Classification Act of 1949, relating to longevity step increases, are no longer needed since these steps have been included in the regular rate range for the respective grades. The provisions are therefore repealed. Section 703 of the amended title VII which is already in existing law (as sec. 705) provides that title VII shall not apply to persons appointed by the President, by and with the advice and consent of the Senate. Title VII currently does not have a section 702.

General Compensation Rules

Section 604(a) revises section 802(b) of the Classification Act of 1949 to provide that when an employee is promoted to a position in a higher grade he shall receive basic compensation at the lowest rate of the higher grade which exceeds his existing rate by not less than two step increases of the grade from which promoted. This subsection also specifies the action to be taken if there is no rate in the higher grade two step increases above the employee's existing rate, or if he is receiving a rate saved under section 507 of the Classification Act of 1949 on reduction in grade. Existing law provides only a one-step increase upon promotion or transfer to a higher grade. A similar proposal is included in H.R. 1010 which passed the House of Representatives on August 22, 1961.

Section 604(b) adds a new subsection (d) to section 802 of the Classification Act of 1949. There is no present authority for saving the basic compensation of an employee who, together with his position, is brought under the Classification Act from some other Federal pay system (such as the wage board system), if his salary

rate is in excess of the maximum rate of the classification grade in which his position is placed. The new subsection would authorize the Civil Service Commission to issue regulations to permit the retention of salary in such instances. It includes special provision applicable in case of subsequent demotion in grade.

Section 604(c) substitutes a new section 803 of the Classification Act of 1949. Because of the more comprehensive provisions in section 504 of title I, part II, of the conference substitute, the present provisions of section 803, authorizing advanced entrance rates of the grades for appointments in shortage occupations, are unnecessary and therefore are being deleted. Section 803, as amended, provides that under regulations of the Civil Service Commission, any employee under the Classification Act who regularly has responsibility for supervision, including technical supervision, over wage board employees may be paid a rate for his grade above the highest rate paid to any such prevailing rate employee.

Salary Retention

Section 605 amends section 507 of the Classification Act of 1949 which provides for the retention of salary when an employee is demoted to a lower grade. The amendment in paragraph (1) extends application of the provisions of section 507 to employees in all grades of the Classification Act of 1949 by omitting the language of existing law which excludes application of the benefits to employees in grades GS–16, GS–17, and GS–18. The amendment in paragraph (2) strikes out "B in the same grade or in the same or higher grades;" in paragraph (4) of subsection (a) of such section 507 and inserts in lieu thereof "(B) in any grade or grades higher than the grade to which demoted;". This change in language will permit salary retention not now permitted under section 507 where there may have been a series of promotions followed by a demotion or a series of demotions.

Increase in Number of Top Grade Positions Under the Classification Act of 1949

Section 606 amends section 505 of the Classification Act of 1949. Subsection (a) increases from 1,989 to 2,400 the limitation on the number of positions the Civil Service Commission, under section 505(b) of the Classification Act, may authorize to be placed in grades 16, 17, and 18 of the general schedule, and excludes from this limitation engineering research and development positions and positions in the physical sciences, natural sciences, and medicine. Subsection (b) excludes these same types of positions from the number of positions in grades 16, 17, and 18 now authorized for the Department of Defense in section 505(j) of the Classification Act.

Section 606(c) authorizes the Attorney General to place a total of 10 positions of warden in the Bureau of Prisons in grade 16 of the general schedule. This increases by four the number of such positions which may be assigned to GS–16. This subsection also authorizes the Attorney General to place a total of eight positions of member of the Board of Parole in grade 17 of the general schedule. Presently only one such position is in grade GS–17 and the other seven are in grade GS–16.

Section 607 repeals certain provisions of law authorizing (1) incumbency allocations to top Classification Act grades, and (2) certain positions to be placed in top grades of the act or to have an equivalent salary.

Section 608(a) provides that each position covered by a repeal provision in section 607 shall be placed in the appropriate grade of the general schedule of the Classification Act, in accordance with the provisions of that act.

Section 608(b) provides that positions in grades 16, 17, and 18 of the general schedule immediately prior to the effective date shall remain in such grades until appropriate action is taken under section 505 of the Classification Act.

Savings Provision

Section 609 contains the usual salary savings provisions.

EFFECTIVE DATES

Section 610 provides that except as otherwise expressly provided the provisions of title II of part II shall become effective on the first day of the first pay period which begins on or after the date of enactment.

TITLE III—POSTAL FIELD SERVICE EMPLOYEES

Section 701 cites this title as the "Postal Employees Salary Adjustment Act of 1962."

Employees Under the Postal Field Service Schedule

Section 702 provides two postal field service schedules. Schedule I would be effective the first pay period after enactment and schedule II, the first pay period after January 1, 1964. The salary schedules for the postal field service follow the pattern established for other statutory pay systems in that they are based on the principle of industry comparability for levels of work.

The structure of the proposed schedules is generally similar to that of the Classification Act of 1949. It replaces both annual salary steps in the present PFS schedule and longevity rates which is accomplished by the addition of step increases to the PFS schedule.

Employees Under the Rural Carrier Schedule

Section 703(a) establishes two new schedules for determining rural carrier pay, the first effective on the first pay period after enactment and the second on the first pay period after January 1, 1964. It also combines the present salary steps and longevity steps into a single 12-step schedule.

Pay rates for the RCS schedule were determined by adding the amount of increase provided for PFS–4, step 7, to the present step 7 rate for the 42-mile route, and adjusting other rates for that route to the corresponding rates for PFS–4.

Section 703(b) amends section 3543(c) of title 39, United States Code, which authorizes payment of additional compensation to rural carriers on heavily patronized routes, by eliminating the existing provision permitting such payment only if the route does not exceed 61

miles in length, as well as the provision limiting the additional compensation to an amount which when added to the basic salary for the maximum step for the route would equal the basic salary for the maximum step for a 61-mile route.

Section 703(c) amends section 3543(f) of title 39, United States Code, to increase the equipment maintenance allowance for rural carriers from 10 cents to 12 cents a mile or from $3.50 to $4.20 a day, whichever is greater.

Section 703(c) changes the method of compensating substitute rural carriers. Under the present system these carriers are paid at the rate of the carrier in whose absence they are serving. Under the new provisions, substitute carriers will be paid on the basis of their own service in the same manner as regular carriers.

Postmasters Under the Fourth-Class Office Schedule

Section 704 amends section 3544(a) of title 39, United States Code, the code to provide two new compensation schedules for postmasters in fourth-class post offices, one effective the first pay period after enactment and the other effective the first pay period after January 1, 1964.

The proposed schedules continue to relate compensation to receipts categories. The first schedule provides an increase of 10 percent above current salary rates. The second schedule adds another 5 percent or a total of 15 percent over existing rates. Subsection (b) extends to postmasters of the third- and fourth-class salary restoration rights now enjoyed by other postal employees.

Automatic Advancement by Step Increases

Section 705 amends 39 U.S.C. 3552, which relates to advancement of employees by step increases.

Under subsection (a), 39 U.S.C. 3552, the schedule of advancement is established. The present schedule of advancement provides for increases based on 52 weeks of service in a step until the highest step in the level is reached. In levels PFS–1 through PFS–6 this form of advancement is continued for the first six increases; the next five increases are attained after a 156-week waiting period for each. In all levels above PFS–6, under the new schedule, the employee will be advanced to steps 2, 3, and 4, on the basis of 52 weeks of service in each step, to steps 5, 6, and 7, on the basis of 104 weeks of service, and to steps 8 and above, on the basis of 156 weeks of service. The conference substitute does not continue the limitation on the advancement of substitutes assigned to road duty. It has been the practice of the Post Office Department to credit service by such a substitute in step 4, PFS–5, and, upon placement in a position not subject to the limitation, the employee would be advanced in step in the new position on the basis of such service, if otherwise proper. The removal of such limitation will permit these substitute employees who were not advanced beyond step 4 of salary level PFS–5 by reason of the limitation, to be given credit for all their service in step 4 and given the appropriate step increases at the time of conversion.

Subsection (b), 39 U.S.C 3552, codifies and makes permanent a provision of law common to salary increase legislation affecting postal employees. In effect, it provides that statutory increases in basic

compensation are not equivalent increases for purposes of determining eligibility for advancement under subsection (a).

Subsection (c), 39 U.S.C. 3552, reenacts the last sentence of 39 U.S.C. 3552 (a) as a separate subsection.

The current provisions of 39 U.S.C. 3552(b) are, in effect, repealed by this amendment. Under present service conditions, withholding of advancement by step increases from substitutes in PFS–5 assigned to road duty cannot be justified.

Temporary Employees

Section 706 amends 39 U.S.C. 3554 by deleting the phrase "under the postal field service schedule" and inserting in its place the phrase "in the postal field service." The purpose of this change is to permit the payment of compensation to temporary rural carriers serving under limited appointments in the same manner as to other postal field service employees. In effect, this change will continue the present method of compensation of these carriers.

Promotions

Section 707 amends 39 U.S.C. 3559 in its entirety. The present method of promotion guarantees to each employees a minimum increase equivalent to the difference between step 1 of the level from which promoted and step 1 of the level immediately above. The new provision will guarantee to each employee promoted to a higher level a minimum increase equivalent to two step increases of the level from which promoted; if the employee is promoted to a level more than two levels above the level of his position, he will receive a minimum increase equivalent to three step increases.

Rural Routes

The purpose of section 708 is to remove the limitation on the present authority of the Postmaster General with respect to the establishment or extension of star routes in areas previously served by rural routes. Under present law such substitution may not be made if a qualified rural carrier can be obtained. This change will permit the Postmaster General to exercise administrative discretion in the selection of the more efficient or economical service.

Miscellaneous Provisions

The new salary plan abolishes longevity steps and provides for recognition of long service through addition of within-grade steps. Therefore, the distinction made in sections 3101(5) and 3101(6) of title 39, between basic salary and basic compensation, is no longer valid and section 709 eliminates this distinction.

Section 710 amends 39 U.S.C. 3541 to provide a method for determining the daily rate of compensation of substitute rural carriers. By using a factor of 304, the number of days of service on a rural route in a year, holiday pay is prorated throughout the year against the actual service of the substitute rural carrier. In this respect, pay treatment of these employees will be consistent with that afforded other substitute employees.

90190—62——5

Conversion Rules

Section 711 provides the rules for the conversion of existing salaries to the new pay schedules which would become effective on the first day of the first pay period after enactment. The conversion method generally will place each employee in the numerical step which he attains immediately prior to the effective date of the new pay plan, plus an additional numerical step for each longevity step attained immediately prior to conversion.

Credit is preserved toward the next within-grade or automatic step increase earned by employees prior to conversion if they were not given an additional step increase by reason of longevity steps attained prior to conversion. Such credit will be applied toward fulfillment of the requirements of the new advancement schedule. No credit earned toward longevity steps will be carried over. No employee's salary will be reduced on conversion.

In addition, to provide a greater salary increase for present employees, each employee in levels PFS–1 through PFS–4 or under the rural carrier schedule will be advanced one extra step on conversion.

Section 712 provides for the conversion of employees to the schedules to become effective in January 1964 according to the numerical step attained immediately prior to the date of conversion. Where existing compensation exceeds the rate for the numerical step, the existing compensation is retained if conversion cannot be made to a scheduled step.

Section 713 amends section 3560 of title 39, United States Code, as added by section 201 of the act of September 21, 1961 (75 Stat. 569, Public Law 87–270), which provides, among other things, that employees in protected rates will be given statutory increases applicable to the salary standing from which reduced. The purpose of section 713 is to make clear that, inasmuch as the new salary plan involves basic structural changes for employees now under the PFS, RCS, and FOS schedules, this particular feature of 39 U.S.C. 3560 cannot be given application at the time of conversion to the new schedules. Salaries of employees in protected rates as of the date of conversion will be converted under sections 711 and 712 of the conference substitute, as appropriate.

Basic Salary in Cases of Assignments of Postal Employees

Section 714 amends section 3335(b) of title 39, United States Code, so as to clarify the intent of Congress with respect to the authority of the Postmaster General to authorize higher level compensation. This amendment is required to remove objections of the Comptroller General, as stated in his decision of February 1, 1962 (B–138999), to the Department's application of the present statutory provision and to validate payments that have been made.

Salary Protection

Section 715 extends existing salary protection provisions to all levels of the postal field service schedule and clarifies their application to certain situations.

Section 716 contains a new compensation rule which will permit the Postmaster General to make exceptions to the schedule of auto-

matic advancement provided in 39 U.S.C. 3552 in recognition of exceptional competence. This provision will require implementation by regulations to be issued by the Postmaster General.

Top grade positions and Whitten Amendment

Section 717 removes PFS–17 from the controlled position group and grants the postal field service a 10-percent exemption under the Whitten amendment.

Section 718 contains two conforming changes to the table of contents of title 39, United States Code.

Repeals

Section 719 repeals those provisions of Public Law 86–568 which contained salary increases for postal field service employees, effective July 9, 1960. It also repeals 39 U.S.C. 3558, which provides for the present system of longevity compensation; the new pay schedules supersede the longevity system in its entirety.

EFFECTIVE DATES

Section 720 specifies the effective dates of the various sections in title III.

TITLE IV—DEPARTMENT OF MEDICINE AND SURGERY IN THE VETERANS' ADMINISTRATION

Title IV relates to physicians, dentists, and nurses in the Department of Medicine and Surgery of the Veterans' Administration who are subject to a separate pay system prescribed by chapter 73 of title 38, United States Code. The revisions made by this title not only take into account the Bureau of Labor Statistics findings but also reflect the results of extensive studies of the Veterans' Administration concerning the need for a modernization of the entire grade and salary structure of the Department of Medicine and Surgery to recognize the numerous organizational and functional changes which have taken place in the Department since its inception in 1946.

In recognition of the nature of their occupations and the variability of assignments in a clinical setting, the grade and salary of physicians, dentists, and nurses in the Department of Medicine and Surgery are determined on the basis of an individual's qualifications and professional attainment. Notwithstanding this fact, comparison of the qualification and skill requirements for like occupations under the Classification Act corroborate extension to the Department of Medicine and Surgery schedules in the manner indicated in the conference substitute bill of the salary scale proposed for the Classification Act system. Appropriate differentiation in pay between recognized skill levels as well as executive and managerial levels is maintained. Internal relationships of pay between the D.M. & S. system and the Classification Act system are also continued.

Section 801 amends section 4103 of title 38 of the United States Code. It reduces the maximum number of Assistant Chief Medical Directors from eight to five and modifies the provisions pertaining to directors of service and chiefs of division. In lieu of these positions,

a new position level of Medical Director is established. The salaries of the Assistant Chief Medical Directors, the Director of Nursing Service, the Chief Pharmacist, and Chief Dietitian are appropriately adjusted in line with other increases proposed by the conference substitute. The statutory positions of the Deputy Director of Nursing Service, Chief Physical Therapist, and Chief Occupational Therapist are eliminated. The duties of the first-named position will be filled by a nurse of the Assistant Director grade. The salaries for the positions of Chief Physical Therapist and Chief Occupational Therapist will be set in the future under the Classification Act of 1949.

Section 802 amends section 4107 of title 38, United States Code. In subsection (a) of section 4107, the former schedules entitled "Medical Service" and "Dental Service" have been combined and retitled "Physician and Dentist Schedule." The existing schedules have provided identical grades and pay scales and their continued separation serves no purpose. The junior grade of the former schedules has been eliminated, and two new grades—the director grade and executive grade—have been established. The schedule now titled "Nursing Service" has been retitled "Nurse Schedule." Two new grades—the assistant director grade and chief grade—have been established, and the former grades of assistant director and senior grade have been retitled "Senior grade" and "Intermediate grade," respectively.

The amendment also provides the pay scales for the physician and dentist schedule and the nurse schedule to be effective on the first day of the first pay period after enactment and after January 1, 1964.

The amendment of section 4107 of title 38 of the United States Code specifies the intended use of the two new grades—director and executive—in the physician and dentist schedule.

Section 803, which amends section 4108 of title 38 of the United States Code, repeals the present provision providing for an allowance equal to 15 percent of the pay of persons rated as medical, surgical, or dental specialists under the provisions of that section, since the latitude which will be afforded within the pay range of each grade will permit appropriate recognition of specially qualified individuals. The current subsection (b) of 4107 of title 38, without change, has been redesignated as section 4108 for purpose of greater clarity and as a matter of drafting convenience.

Subsection (b) of section 803 is a perfecting amendment to the table of contents at the head of chapter 73 of title 38, to reflect the change in the catchline of section 4108.

Section 804 amends section 4111(b) of title 38 to provide that the per annum salary rate of a director of a hospital, domiciliary, or center who is not a physician in the medical service shall not be less than the rate of salary he would receive if such service as a director had been as a physician in the director grade. Except with respect to change in rate of salary, the subsection does not affect the allocation of any such position to any grade of the Classification Act or the application of the Performance Rating Act of 1950 to any individual.

Section 805 provides that title IV shall become effective on the first day of the first pay period after enactment except as otherwise expressly provided.

TITLE V—THE FOREIGN SERVICE ACT OF 1946

Section 901 provides that title V may be cited as the "Foreign Service Salary Reform Act of 1962."

Section 902 amends section 412 of the Foreign Service Act of 1946 by adjusting upward the per annum salary rates for the eight classes of Foreign Service officers. No change is made in the number of classes and, with the exception of class I, which has two salary rates, the general pattern of seven rates for each class is continued. As in other sections of this title, the schedules of per annum salary rates, provided by this section, are to be effective in two phases at the beginning of the first pay period after enactment and after January 1, 1964.

Section 903 amends section 415 of the Foreign Service Act of 1946 by revising the structure of the Foreign Service Staff salary schedule and embodying certain changes directly comparable to those made in the revision of the Classification Act of 1949.

There are at present 22 classes in the Foreign Service Staff schedule. The proposed schedule of 10 classes would eliminate the unnecessary and seldom-used classes in the current schedule. Since custodial, maintenance, and the most routine clerical functions are performed almost exclusively by alien employees at Foreign Service posts, there is little need for U.S. citizen employees at the levle of duties represented by classes 14 through 22. Since classes 14 through 22 are to be abolished, it will be necessary to give the Secretary the authority contained in proposed section 415(b) in order that persons in such classes may continue to be employed at appropriate rates. The new section 415(b) would give the Department all needed flexibility in this respect, should it be desirable in unusual circumstances, to employ American personnel at lower rates for duties less difficult than those of FSS–10. Within the proposed Foreign Service Staff salary schedule, 10 salary rates are proposed for the lower 6 classes, and 9 for the upper 4. This conforms with Classification Act of 1949 salary ranges proposed at similar salary levels. Section 903 prescribes two schedules of per annum salaries for staff officers and employees to be effective the first pay period after enactment and after January 1, 1964.

Section 904 provides for the conversion of Foreign Service personnel from their present salary rates to those established by the conference substitute.

Section 905 repeals section 642(b) of the Foreign Service Act relating to longevity step increases for Foreign Service staff officers and employees and makes minor conforming changes in the heading and identification of the section in the Foreign Service Act. Since the new Foreign Service staff schedule provides 9 or 10 rates for within-class increases, this section is no longer needed.

Section 906 provides that, except as otherwise expressly provided, title V shall become effective on the first day of the first pay period after enactment.

TITLE VI—MISCELLANEOUS SALARY PROVISIONS

Section 1001 increases the salary limitations for certain scientific, professional, and other positions to accord with the salary ranges of the general schedule of the Classification Act of 1949. In most cases the salary range stated in the laws which are amended has a $19,000

maximum. The amendments proposed would tie the maximum to grade 18 of the general schedule.

Subsection (a) of section 1001 revises the salary range in section 2(b) of Public Law 313, 80th Congress, as amended, from $12,500–$19,000, to a range from the minimum salary of grade GS–16 to the highest rate of grade GS–18, and authorizes eight such positions in the Library of Congress.

Subsection (b) amends section 1581(b) of title 10 of the United States Code, relating to certain scientific or professional positions in the Department of Defense, to provide a minimum rate for such positions as the minimum rate of GS–16 and a maximum rate equivalent to GS–18 pay.

Subsection (c) extends the new range to positions now paid at $12,500 to $19,000 in the National Security Agency.

Subsection (d) amends the proviso in the first sentence of section 208(g) of the Public Health Service Act, as amended, which relates to compensation rates of certain scientific, professional, and administrative personnel in the Public Health Service to provide a minimum rate of grade GS–16 and a maximum at the pay of grade GS–18.

Subsection (e) establishes a maximum rate, equivalent to the pay of grade GS–18 for five positions of technical experts in the Department of Agriculture engaged in research in foot-and-mouth and other animal diseases.

Subsection (f) amends section 203(b)(2) of the National Aeronautics and Space Act of 1958 to provide that the Administrator may fix the rates for certain excepted positions at not to exceed the pay of grade GS–18 of the Classification Act of 1949. Thirty of these positions may continue to be paid up to $21,000.

Subsection (g) amends the proviso in section 161(d) of the Atomic Energy Act of 1954, as amended, to permit the fixing of salaries of scientific and technical personnel up to a limit of the pay of grade GS–18 of the General Schedule of the Classification Act of 1949. The present limit is $19,000.

Subsection (h) substitutes the GS–18 rate in place of $19,500 as the top salary for 23 positions in the Federal Aviation Agency.

Subsection (i) authorizes use of Foreign Service salary rates for paying the U.S. representatives and alternate on the Executive Board of the World Health Organization in place of present maximum salaries of $12,000 and $10,000.

Subsection (j) sets the GS–18 rate as the maximum salary for certain positions established under the Mutual Educational and Cultural Exchange Act, not authorized to be paid up to $1,000 more than the rate of GS–18.

Subsection (k) fixes the GS–18 salary as the maximum rate for certain positions under the Foreign Assistance Act which may now be paid up to $19,000 a year.

Subsection (l) fixes the GS–18 salary rate as the top salary for certain Peace Corps positions now paying up to $19,000 a year.

Agricultural Stabilization and Conservation County Committee Employees

Section 1002 extends to agricultural stabilization and conservation county committee employees the salary increases provided by the conference substitute for corresponding Classification Act of 1949 salary levels.

Assistant U.S. Attorneys

Section 1003 raises from $15,000 to $17,500 the maximum amount which can be paid to assistant U.S. attorneys and provides for an increase of 7½ percent in their existing rates of compensation.

Employees in the Judicial Branch

Section 1004 authorizes, for employees of the judicial branch, salary increases corresponding to those proposed in the statutory salary systems in the executive branch.

Officers and Employees in the Legislative Branch

Section 1005(a) provides an increase of 7 percent to officers and employees in or under the legislative branch.

Subsection (b) provides for the automatic adjustment, effective October 16, 1962, of the compensation of employees in the office of a Senator to the rate nearest that being received by such employees immediately preceding such effective date unless the disbursing office of the Senate is notified to the contrary within 15 days after the date of enactment. Such notice, when given, would give effect to the increase.

Subsection (c) provides an increase of 7 percent in the rates of basic compensation of the elected officers of the Senate (not including the presiding officer) the Parliamentarian of the Senate, the legislative counsel and senior counsel in the Office of the Legislative Counsel of the Senate, the official reporters of debates of the Senate, and the Chief Clerk of the Senate, except that no such salary may be raised to an amount above $21,500.

Subsection (d) increases the limitation fixed by law on the compensation of employees of the Senate by the amount necessary to pay the additional compensation provided by the conference substitute bill.

Subsection (e) provides that the provisions of subsection (a) shall not apply to employees engaged in folding speeches and pamphlets whose compensation is subject to the new limitation.

Subsection (f) covers elected officers of the House of Representatives (other than Members) and certain other officers of the House of Representatives who are not covered by other provisions of the conference substitute bill. Subsection (f) covers the following officers and employees of the House of Representatives:

(1) The Assistant Parliamentarian No. 1 of the House of Representatives, whose total rate of per annum compensation is now prescribed by House Resolution 339, 84th Congress, section 103 of the Legislative Branch Appropriation Act, 1957 (70 Stat. 370; Public Law 624, 84th Cong.), and section 117(g) of the Federal

Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 304; Public Law 86–568);

(2) The following elected officers of the House of Representatives, whose total rates of per annum compensation are now prescribed by House Resolution 486, 84th Congress, section 103 of the Legislative Branch Appropriation Act, 1957 (70 Stat. 370; Public Law 624, 84th Cong.), section 4(k) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 209; Public Law 85–462), and section 117(g) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 304: Public Law 86–568); the Clerk of the House, the Sergeant at Arms of the House, the Doorkeeper of the House, and the Postmaster of the House;

(3) The chief of staff of the Joint Committee on Internal Revenue Taxation, whose total per annum compensation is now prescribed under authority of section 302(c) of the act of October 4, 1961 (75 Stat. 793; Public Law 87–367);

(4) The legislative counsel of the House of Representatives, whose total per annum compensation is now fixed in accordance with a provision relating to the legislative counsel of the Senate in the Legislative Branch Appropriation Act, 1958 (71 Stat. 251; Public Law 85–75) (as modified by secs. 4(c) and 4(m) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 208 and 209; Public Law 85–462)), and section 117(g) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 304; Public Law 86–568);

(5) The coordinator of information of the House of Representatives, whose total per annum compensation is now fixed under House Resolution 183, 80th Congress, section 105 of the Legislative Branch Appropriation Act, 1948 (61 Stat. 377; Public Law 197, 80th Cong.), section 2(e) of the act of October 24, 1951 (65 Stat. 612; Public Law 201, 82d Cong.), section 4(c) of the Federal Employees Salary Increase Act of 1955 (69 Stat. 176; Public Law 94, 84th Cong.), section 4(l) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 209; Public Law 85–462), and section 117(g) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 304; Public Law 86–568);

(6) Two printing clerks, one for the majority caucus room and one for the minority caucus room, whose total per annum compensation is now provided for on a present incumbency basis in the paragraph under the heading "House of Representatives" and the subheading "Special and Minority Employees" in the Legislative Branch Appropriation Act, 1958 (71 Stat. 247; Public Law 85–75), as modified by a comparable provision in each annual appropriation act for the legislative branch, the latest such provision currently being the paragraph under the heading "House of Representatives" and the subheading "Special and Minority Employees" in the Legislative Branch Appropriation Act, 1962 75 Stat. 325; Public Law 87–130);

(7) Four minority employees of the House in positions referred to in House Resolution 486, 84th Congress, whose total per annum compensation is now fixed under such resolution and section 103 of the Legislative Branch Appropriation Act, 1957 (70 Stat. 370; Public Law 624, 84th Cong.), section 4(r) of the Federal Em-

ployees Salary Increase Act of 1958 (72 Stat. 209; Public Law 85–462), and section 117(g) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 304; Public Law 86–568).

The above list of officers and employees within the purview of subsection (f) is not necessarily all-inclusive.

It may be noted, in connection with House officers and employees in the categories covered by subsection (f), that three employees in comparable categories are granted increases in compensation under section 1005(a) rather than subsection (f). These employees are as follows:

(1) The Chaplain of the House of Representatives, whose present rate of total per annum compensation consists of a per annum basic rate prescribed by section 6 of the Legislative Appropriation Act, 1956 (69 Stat. 508; Public Law 242, 84th Cong.), and additional compensation provided by the various pay increase laws covering legislative branch employees generally, including section 117(a) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 303; Public Law 86–568);

(2) The Assistant Parliamentarian No. 2 of the House of Representatives whose present rate of total per annum compensation consists of a per annum basic rate provided by House Resolution 277, 82d Congress, and section 277 of the Legislative Branch Appropriation Act, 1953 (66 Stat. 478; Public Law 471, 82d Cong.), and additional compensation provided by the various pay increase laws covering legislative branch employees generally, excluding the Federal Employees Salary Increase Act of 1958 but including section 117(a) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 303; Public Law 86–568);

(3) The clerk to the House Parliamentarian, whose present rate of total per annum compensation consists of per annum basic rate fixed under House Resolution 486, 85th Congress, and section 103 of the Legislative Branch Appropriation Act, 1959 (72 Stat. 453; Public Law 85–570), and additional compensation provided by the various pay increase laws covering legislative branch employees generally, excluding the Federal Employees Salary Increase Act of 1958 but including section 117(a) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 303; Public Law 86–568).

Subsection (g) increases the limitations on gross rate per thousand and gross rate per hour per person payable to employees of the House of Representatives engaged in folding speeches and pamphlets by an amount equal to the increases granted to legislative employees under the conference substitute.

Subsection (h) makes clear that the increases provided by section 1005 are to be considered part of basic compensation for the purposes of the Civil Service Retirement Act.

Subsection (i) provides that notwithstanding any other provision of section 1005, no rate of compensation which exceeds $21,500 shall be increased by such section, and no increase provided by such section shall cause the gross rate of compensation (basic plus additional compensation authorized by law) or the total annual compensation of any officer or employee to exceed $21,500.

Subsection (j) provides that, insofar as the provisions of section 1005 apply to officers and employees whose compensation is based on a monthly pay period which begins on the first day of the month, such provisions shall become effective on October 16, 1962. The purpose of subsection (j) is to insure that officers and employees in the legislative branch will receive pay increases at approximately the same time as other officers and employees covered by the conference substitute.

Saving Provision

Section 1006 provides, in effect, that no provision of the conference substitute shall operate to reduce any rate of salary, pay, or compensation of any officer or employee covered by the conference substitute.

Absorption of Costs

Under section 1007, the departments and agencies are directed to provide for absorption of the costs of salary increases from available funds of the executive departments, but this section is not to be considered to require any employee to be separated from the service or placed in a leave-without-pay status.

Effective Dates

Section 1008 provides that title VI, except as otherwise expressly provided, is to become effective on the first day of the first pay period after enactment.

Ceiling Provisions

Section 1009 makes it clear that, except as provided in section 1005, this act will not cause any rate of compensation to exceed $20,000 per annum.

PART III.—ADJUSTMENT OF ANNUITIES UNDER CIVIL SERVICE RETIREMENT ACT

The House bill contained no provisions such as are contained in the conference substitute under Part III, Adjustment of Annuities.

An explanation of part III of the conference substitute is set forth below.

Section 1101(a) provides a 5-percent increase, effective January 1, 1963, in all annuities then payable from the fund which commenced on or before that date.

Subsection (b) extends this initial increase on a graduated percentage basis to all annuities which commence in the 5-year period following January 1, 1963, in accordance with the following schedule:

Annuities commencing between—	Are increased from commencing date by—
Jan. 2, and Dec. 31, 1963	4 percent.
Jan. 1, and Dec. 31, 1964	3 percent.
Jan. 1, and Dec. 31, 1965	2 percent.
Jan. 1 and Dec. 31, 1966	1 percent.

Subsection (c) provides that the percentage increase granted a retiree under subsection (a) or (b) will apply to the annuity subsequently granted his survivor.

Subsection (d) excludes from the 1963 increase annuity amounts purchased at retirement by voluntary contributions.

Subsections (e) and (f) remove the ceilings on increases to retirees imposed by the 1952 and 1955 annuity increase laws. Under the annuity increase act of July 16, 1952, as amended by the act of August 31, 1954, no retiree's annuity (exclusive of that purchased by voluntary contributions) could be raised beyond $2,160. The act of August 11, 1955, similarly provided that no regular annuity could be increased under its terms beyond $4,104. These increase ceilings are repealed and made no longer effective on and after January 1, 1963. Each retiree affected by one or both of these ceilings who is still on the annuity rolls will be entitled to have his annuity rate reestablished as of January 1, 1963, as though these ceilings had never existed. This reestablished rate, plus a 5-percent 1963 increase, will be payable from and after January 1, 1963.

Subsection (g) states effective date provisions for increases.

Subsection (h) provides that monthly annuity rates after adjustment will be fixed to the nearest dollar.

Section 1102(a) adds a new subsection to section 1 of the Civil Service Retirement Act to define the term "price index" as the calendar year average of the monthly Consumer Price Index published by the Bureau of Labor Statistics.

Subsection (b) renumbers present section 18 of the Civil Service Retirement Act as section 19 and inserts a new section 18. New section 18 embodies an automatic annuity adjustment plan.

The new section 18 of the Civil Service Retirement Act provides for future adjustment of annuities as follows:

Subsection (a) directs the Civil Service Commission to annually determine, after January 1, 1964, and each succeeding January 1, the percentage change in living costs from 1962 or from the year preceding the most recent cost-of-living adjustment to the latest complete year. Depending on the price index change, adjustment actions ensue.

Subsection (a)(1) provides that if the price index change from 1962 to 1963 equals a rise of at least 3 percent, an increase will be allowable, effective April 1, 1964. All annuities which began before January 2, 1963, will be increased by the percentage rise in the price index, adjusted to the nearest one-tenth of 1 percent.

Subsection (a)(2) provides for automatic increases in annuities effective April 1 of any later year after the percentage change in the price index has equaled a rise of at least 3 percent. All annuities payable from the fund as of April 1 which commenced earlier than January 2 of the preceding year will be increased by the percentage rise in the price index, adjusted to the nearest one-tenth of 1 percent.

Subsection (b) states the general rule that eligibility for an increase is governed by the commencing date of each annuity payable as of the appropriate April 1 effective date, but with these exceptions to the rule:

Under subsection (b)(1), a retiree's survivor (other than a current act child survivor) on the roll as of the first cost-of-living increase, whose annuity started the date after the retiree's death, will receive the initial increase provided the retiree's commencing date of annuity was earlier than January 2 of the year preceding the first increase.

Under subsection (b)(2), the annuity of a retiree's survivor (other than a current act child survivor), which starts the day after the retiree's death and after the effective date of the first cost-of-living increase will be increased from commencing date by whatever percentage increase the retiree was receiving at death.

Under subsection (b)(3), a special method is provided for increasing annuities of child survivors under the current act. These annuities are unique in that they are not the product of years of service times percentage of average salary. The child's rate is the lesser of (i) a set percent of average salary or (ii) a dollar amount which cannot reflect living cost salary increments. Thus, for these annuities, the cost-of-living annuity adjustment must be built into the benefit formula. The following provisions are made for child-survivor annuities which commence after the effective date of the first cost-of-living increase:

Existing formula		Increase provided—proposed increase
Spouse surviving	No spouse surviving	
40 percent of average salary divided by number of children.	50 percent of average salary divided by number of children.	Cumulative cost-of-living percent granted after commencing date of retired parent's annuity. Inapplicable to children of employee, because his average salary includes living cost adjustments which pass on to children.
$1,800 divided by number of children.	$1,160 divided by number of children.	Cumulative cost-of-living percent currently authorized. Applicable to children of retiree and employee alike, because salary living cost adjustments can never pass on to children.
$600	$720	Cumulative cost-of-living percent currently authorized. Applicable to children of retiree and employee alike, because salary living cost adjustments can never pass on to children.

Provision is made for applying these formula changes to any child's annuity which commenced in the 15-month period before the effective date of the first increase as if such initial increase had been in effect. Resulting rate adjustments would start on the effective date of the initial cost-of-living increase.

Subsection (c) excludes from cost-of-living increases annuity amounts purchased at retirement by voluntary contributions.

Subsection (d) provides that monthly annuity rates after cost-of-living increase will be fixed at the nearest dollar.

Section 1103 amends sections 1(j), 9(g), and 10(a)(1) of the Retirement Act to revise and liberalize provisions for children survivors and election of reduced annuity with benefit to widow or widower.

The present section 9(g) of the act permits a married person retiring for any reason to irrevocably elect, in lieu of single life annuity, a reduced benefit carrying with it a survivor annuity to spouse, the choice to be made at time of retirement. The retiring individual may designate all or any portion of the single life annuity (excluding any increase because of disability retirement) as the base for annuity to spouse. To partially support the added survivor protection the retiring individual accepts, for life, his or her annuity reduced by 2½ percent of the first $2,400 and by 10 percent of any amount over $2,400 designated as the base for survivor annuity. Under the present section 10(a)(1), the named spouse becomes entitled to 50 percent of this base amount as widow's or widower's annuity, starting the day after the retiree's death and continuing until remarriage or death.

Under the conference substitute, section 9(g) of the act is amended to accord the retiring married employee a reduced benefit carrying with it a survivor annuity to spouse, unless he affirmatively elects to receive in lieu thereof the single life annuity. In the absence of the life annuity election, the total annuity (excluding any increase

because of disability retirement) or such lesser portion as may be designated at time of retirement will be used as the base for annuity to spouse, and the individual will receive, for life, his or her annuity reduced by 2½ percent of the first $3,600 and by 10 percent of any amount over $3,600 which serves as the base for annuity to spouse. Section 10(a)(1) of the act is amended to accord the named spouse 55 percent of the amount used for the survivor base as widow's or widower's annuity, which would start the day after the retiree's death and continue until remarriage or death.

Subsections (c), (d), and (e) similarly amend subsections (b), (c), and (e) of section 10 of the act to uniformly accord a named survivor or a spouse survivor 55 percent, instead of 50 percent, of the annuity in respect to the deceased former employee or member.

Under existing law survivorship benefits paid to a child cease when the child attains the age of 18, marries, or dies except that such benefits may continue past the age of 18 if the child is incapable of self-support due to a disability incurred before attaining the age of 18.

Subsection (f) of section 1103 of the conference substitute amends section 1(j) of the Retirement Act. The substitute retains all present termination provisions but adds the further exception that benefits may continue to the end of the school year in which the child attains the age of 21 only so long as the child pursues a full-time course of study in a high school, trade school, technical or vocational institute, junior college, college, university, or comparable recognized educational institution.

This change in the Civil Service Retirement Act is in keeping with veterans' benefit laws which provide for the continuance of benefits between the ages of 18 and 21 to unmarried children while taking an approved course of instruction.

Section 1104 provides that benefits made payable under the Retirement Act by enactment of the conference substitute shall be paid from the retirement fund. This is necessary because of the restriction contained in the paragraph headed "Civil Service Retirement and Disability Fund" in section 1 of title I of the act of August 30, 1958.

Section 1105 specifies January 1, 1963, as the effective date for section 1101 and provides that amendments made by section 1103, except subsection (F), will not apply to employees or members retired or otherwise separated prior to date of enactment.

TOM MURRAY,
JAMES H. MORRISON,
ROBERT J. CORBETT,
Managers on the Part of the House.

The addition of the above subsection to the Trading With the Enemy Act has been prompted by complaints made by Mr. Ernest K. Halbach, now deceased, the principal stockholder of General Dyestuff Corp., that a settlement he had entered into of his lawsuit for the return of his vested stock was consummated through coercion and duress exerted against him.

General Dyestuff Corp. was incorporated in 1925 and has been a selling agent for dyestuffs produced by I. G. Farben. All the stock in General Dyestuff Corp. has since its incorporation been subject to an option agreement whereby the optionholder could redeem any of the shares of stock at the option price of $100 per share plus a dividend of 6 percent from the date of the last declaration of dividends. From 1926 until 1933 I. G. Farben itself held the option to purchase the stock. From 1933 until 1938 the option was held by Marion Co., an Illinois corporation, whose own shares of stock were in turn held under option to Ed. Greutert & Cie, of Switzerland, a private banking firm owned and controlled by I. G. Farben. From 1938 to 1939 the option on the General Dyestuff Corp. stock was held by Chemnyco, Inc., a Farben service agency in the United States. In 1939, when the Farben-controlled American I. G. Corp. changed its name to General Aniline & Film Corp., Chemnyco, Inc., renounced its option, thus giving up without any consideration a right to buy $2,500,000 worth of stock for $600,000. D. A. Schmitz, the brother of the head of I. G. Farben, sold his majority stock interest in General Dyestuff Corp., as did two other smaller stockholders, to the corporation itself. The sale was made at the option price of $100 per share, notwithstanding its book value of $460 per share. This stock was resold by the corporation immediately to Halbach, Duisberg, and a few other employees of General Dyestuff Corp. at the price of $100. A new option agreement was signed by Halbach, Duisberg, and all other stockholders giving to General Dyestuff Corp. itself the same option as had always existed with the predecessor optionholders. In 1940 and 1941 two stock dividends were declared, each for 50 percent. As a result, Mr. Halbach's holdings, for example, increased from 2,100 shares to 4,725 shares.

All the stock of General Dyestuff Corp. was vested by the Alien Property Custodian on June 30, 1942, by vesting order No. 33 on the finding and determination that the stock was the property of foreign nationals. Each of the stockholders filed a claim for the return of the seized stock, and most of them—including Mr. Halbach and Dr. Duisberg—instituted lawsuits under section 9(a) of the Trading With the Enemy Act. Dr. Duisberg's lawsuit was dismissed for lack of prosecution, and such dismissal was upheld by the appellate courts. Mr. Halbach and the other stockholders, except Dr. St. George, were represented by the New York City law firm of Sullivan & Cromwell, and settlement negotiations were entered into. It was agreed between Mr. Halbach and the other stockholders and the Department of Justice attorneys that their claims would be settled by the payment to each of them of the option price, namely $100 per share plus 6 percent dividends since the last payment of dividends. These negotiations were consummated and payment was made in 1945. Inasmuch as 3 years had elapsed since the last payment of dividends, each of these stockholders—except Dr. St. George and Dr. Duisberg—received $118 per share. Mr. Halbach, for example, received for his 4,725 shares the sum of $557,550. He had paid for these shares $210,000.

From 1942 to 1950 Mr. Halbach remained on the payroll of General Dyestuff Corp. During that period of time he received as salary, bonuses, and salary adjustments the total sum of $558,600. Mr. Halbach retired in August 1950, at which time he was entitled to receive only $257 per month under the company's employee retirement plan and an additional $45 a month under social security. The board of General Dyestuff Corp. resolved, however, to make a voluntary monthly payment to him sufficient to bring him a total retirement pay of $1,500 per month.

In 1951, after his retirement, Mr. Halbach sought to obtain through private legislation and by a suit to vacate the judgment entered after the settlement in 1945 the reopening of his claim for the proceeds of the sale of his vested stock on grounds that the settlement had been entered into by reason of the exertion of coercion and duress against him. His motion to vacate the judgment was fully heard in the U.S. District Court for the District of New Jersey at which evidence and depositions were taken, and his motion to vacate the judgment was denied on the basis that there had been a complete failure to prove duress.

The Court of Appeals for the Third Circuit upheld the judgment of the lower court after appeal to it, and the Supreme Court of the United States denied certiorari. The issue of duress has been fully litigated. Moreover, the retention of Mr. Halbach as a high-salaried employee of General Dyestuff Corp. after the vesting of all the stock in the corporation, including Halbach's, and the generous treatment of his retirement annuity do not bespeak the duress alleged. Another important factor showing the absence of duress is the settlement that Dr. Duisberg agreed upon some 15 years after the Halbach settlement. Duisberg, the second largest stockholder of General Dyestuff Corp., was the only stockholder of that company with whom the Department of Justice had not settled. He was finally successful in obtaining a House resolution referring his claim against the United States to the Court of Claims for report on the legal and equitable nature of his claim, notwithstanding previous litigation, the statute of limitations, or res judicata. Dr. Duisberg accepted a settlement in 1961 on precisely the same formula as had been offered to Halbach and the other stockholders, namely, the option price of $100 per share plus dividends at 6 percent from 1942 to 1953, when General Dyestuff Corp. ceased to exist as an independent entity.

The stock of General Dyestuff Corp. had been seized notwithstanding its ownership by citizens of the United States because it was believed that the beneficial owner of the stock was I. G. Farben of Germany. The option agreements, the close association of the officers and directors of General Dyestuff Corp., with the personnel of I. G. Farben by blood relationship or economic dependence, and the sole concern of the corporation itself with Farben products, make this clear. After 1939 Mr. Halbach and General Dyestuff Corp., cooperated with I.G. Farben to distribute Farben products to South American companies in evasion of the British blockade. Testimony concerning these activities was presented to the Kilgore committee in December 1945 and is embodied in "Elimination of German Resources for War," hearings before a subcommittee of the Senate Committee on Military Affairs, June 1945 to March 1946.

Mr. STRATTON. Mr. Speaker, while I have strongly supported this legislation, it has long been my hope that the eligibility requirement for consideration of claims could be extended beyond the definition contained in the bill as it originally passed the House. It was my hope that the claims of those who are citizens of the United States at the time of the enactment of this legislation might also be in order, as well as the claims of those who were American citizens at the time the original loss or injury was actually sustained. I supported amendments to H.R. 7283 to that end which were offered at the time the bill was originally considered; unfortunately these amendments did not prevail.

I was therefore delighted when the Senate adopted certain amendments that did liberalize the bill in this very direction, and I was hopeful that the conference committee would accept the Senate amendments.

I am indeed sorry, Mr. Speaker, that the conference report now before us does not retain the Senate wording on this point. I sincerely regret that the House conferees were unwilling to accept the Senate position.

Of course, Mr. Speaker, in spite of this disappointment I shall not vote against the conference report because I believe this legislation is too important to jeopardize in this way at this late date in this session. At least we are making some progress. At least the version finally adopted by the conference committee makes some progress over the original House wording, even though it is not as strong as the Senate wording and not as extensive in its direct coverage of proper and legitimate claimants as I would have wished.

Mr. Speaker, the statement of the managers on the part of the House makes it clear that in the event there remains a balance in the war claims fund, after the payment in full of claims provided under the bill, consideration would be given to legislation providing for payment to these categories of persons.

And the statement goes on to say:

The committee of conference recommends that the Foreign Claims Settlement Commission should proceed to make an estimate of the amount of claims that would be involved in these amendments.

This at least, Mr. Speaker, is a step in the right direction. Hence I shall not oppose the conference report. I hope the Commission will move swiftly to carry out the recommendations of the conference committee. And I am hopeful, too, that the funds available under this program will indeed make it possible to satisfy the claims of those many fine persons who are still technically excluded, but who now at least, are in direct line for relief in line with the provisions of this conference report.

Mr. RYAN of New York. Mr. Speaker, I wish to comment on one deeply disappointing aspect of the conference report on H.R. 7283. The Senate has receded from amendment No. 5, a provision which I believe would have been consistent with our general philosophy of citizenship. This provision would have compensated those citizens who were citizens at the time of pasage of this bill but were not citizens at the time they lost their property.

At the time this bill was before us I fought for such an amendment. I felt then, and still feel, that it is inconsistent with our traditions to treat some citizens different from others. This is nothing more or less than the creation of two classes of citizenship. Such a concept is wholly inconsistent with American jurisprudence.

The conference report attempts to mitigate the error by suggesting that, after all claims are paid under this bill, those citizens, who are now citizens but not when they lost their property, might be compensated. The fact of the matter is, however, that there are over 34,000 claimants for war loss compensation; and the War Claims Commission has estimated that there will not be enough to pay all claims eligible under this bill. I regret that the Conference Committee did not include all citizens.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. MACK. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks on the conference report, and that the gentleman from Michigan [Mr. DINGELL] may extend his remarks following mine before action was taken on the report.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

ADJUSTING POSTAL RATES, AND FOR OTHER PURPOSES

Mr. MURRAY submitted the following conference report and statement on the bill (H.R. 7927) to adjust postal rates, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 2525)

[To accompany H.R. 7927]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7927) to adjust postal rates, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That this Act may be cited as the 'Postal Service and Federal Employees Salary Act of 1962'.

"PART I—POSTAL SERVICE

"Title I—Postal Rates

"First-class mail

"SEC. 101. Section 4253(a) of title 39, United States Code, is amended by striking out the words 'four' and 'three' wherever appearing in subsection (a) and inserting in lieu thereof the words 'five' and 'four,' respectively.

"Airmail

"SEC. 102. (a) Section 4303 of title 39, United States Code, is amended—

"(1) by striking out the word 'seven' in subsection (a) and inserting in lieu thereof the word 'eight';

"(2) by striking out the word 'five' in subsection (b) and inserting in lieu thereof the word 'six';

"(3) by increasing each of the rates under the heading 'First pound over 8 ounces or fraction thereof' in the table in subsection (d)(1) by 8 cents;

"(4) by striking out paragraph (2) of subsection (d) and inserting in lieu thereof the following:

"'(2) The rate of postage on air mail of the first class weighing in excess of eight ounces shall be the rate provided by subsection (a) for each ounce not in excess of eight ounces, plus 5 cents for each ounce or fraction thereof in excess of eight ounces, but in no case less than the rate provided under paragraph (1) for air parcels.'

"Second class within county of publication

"SEC. 103. Subsections (a) and (b) of section 4358 of title 39, United States Code, are amended to read as follows:

"'(a) Except as provided in subsection (b), the rate of postage on publications admitted as second-class mail when addressed for delivery within the county in which they are published and entered is as follows:

"'[In cents]

	"'Mailed after January 6, 1963, and prior to January 1, 1965	Mailed after December 31, 1964
"'Rate per pound	1	1¼
Minimum charge per piece	⅛	⅛

"'(b) The rate of postage on the following publications admitted as second-class mail when mailed for delivery, within the county in which they are published and entered, by letter carrier at the office of mailing, shall be—

"'(1) publications issued more frequently than weekly, one cent a copy;

"'(2) publications issued less frequently than weekly—

"'(A) weighing two ounces or less, one cent a copy;

"'(B) weighing more than two ounces, two cents a copy.'

"Second class beyond county of publication

"SEC. 104. (a) Section 4359(b) of title 39, United States Code, is amended to read as follows:

"'(b)(1) Except as provided by paragraphs (2), (3), and (4), the rates of postage on publications mailed in accordance with subsection (a) are as follows:

"'[In cents]

	"'Mailed after January 6, 1963, and prior to January 1, 1964	Mailed during calendar year 1964	Mailed after December 31, 1964
"'Rate per pound:			
Advertising portion:			
Zones 1 and 2	3.4	3.8	4.2
Zone 3	4.4	4.8	5.2
Zone 4	6.4	6.8	7.2
Zone 5	8.4	8.8	9.2
Zone 6	10.4	10.8	11.2
Zone 7	12.0	12.0	12.0
Zone 8	14.0	14.0	14.0
Nonadvertising portion	2.6	2.7	2.8
Minimum charge per piece	.6	.8	1.0

"'(2) The postage on classroom publications is 60 per centum of the postage computed in accordance with paragraph (1).

"'(3) The rates of postage on publications of a qualified nonprofit organization mailed in accordance with subsection (a) are as follows:

"'[In cents]

	"'Mailed after January 6, 1963, and prior to January 1, 1964	Mailed during calendar year 1964	Mailed after December 31, 1964
"'Rate per pound	1.6	1.7	1.8
Minimum charge per piece	.125	.125	.125

"'(4) In lieu of the minimum charge per piece prescribed by paragraph (1), the minimum charge per piece to be paid by the following publications (other than publications to which paragraph (2) or paragraph (3) is applicable) shall be as follows—

"'(A) publications mailing fewer than 5,000 copies per issue outside the county of publication—one-half cent per piece;

"'(B) any issue of a publication the advertising portion of which does not exceed 5 per centum of the entire issue—.55 of a cent per piece when mailed after January 6, 1963, and prior to January 1, 1964, .65 of a cent per piece when mailed during calendar year 1964, and .75 of a cent per piece when mailed after December 31, 1964.'

"(b) Section 4359(e)(2) of title 39, United States Code, is amended by striking out 'and fraternal,' and inserting in lieu thereof the following: 'fraternal, and associations of rural electric cooperatives, and not to exceed one publication published by the official highway agency of a State which meets all of the requirements of section 4354 and which contains no advertising'.

"(c) Section 4360 of title 39, United States Code, is repealed.

"Second-class transient mail

"SEC. 105. Section 4362 of title 39, United States Code, is amended by striking out 'two cents' and inserting in lieu thereof 'four cents'.

"Controlled circulation publications

"SEC. 106. Section 4422 of title 39, United States Code, is amended by striking out '12

cents a pound or fraction thereof' and inserting in lieu thereof the following: '12½ cents a pound or fraction thereof when mailed after January 6, 1963, and prior to January 1, 1964, 13 cents a pound or fraction thereof when mailed during calendar year 1964, and 13½ cents a pound or fraction thereof when mailed after December 31, 1964'.

"Third-class mail

"SEC. 107. Section 4452 of title 39, United States Code, is amended—

"(1) by amending subsections (a), (b), and (c) to read as follows:

"'(a) Except as provided in subsection (c) of this section, and subject to the minimum charge per piece provided in subsection (b) of this section, the postage rates on third-class mail are as follows:

"'Type of mailing	Rate	Unit
	Cents	
(1) Individual piece	4	First 2 ounces or fraction thereof.
	2	Each additional ounce or fraction thereof.
(2) Bulk mailings under subsec. (3) of this section of:		
(A) Books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions and plants.	12	Each pound or fraction thereof.
(B) Other matter	18	Do.

"'(b) Matter mailed in bulk under subsection (e) of this section is subject to a minimum charge for each piece of 2⅝ cents when mailed subsequent to January 6, 1963 and prior to January 1, 1964, 2⅝ cents when mailed during calendar year 1964, and 2⅞ cents when mailed after December 31, 1964, except that the minimum charge per piece on such matter mailed by qualified nonprofit organizations is 1¼ cents.

"'(c) The pound rates on matter mailed in bulk under subsection (e) by qualified nonprofit organizations are 50 per centum of the pound rates provided by subsection (a).'

"(2) by striking out 'subsections (a) and (b) of' wherever it appears in subsection (d).

"(3) by striking out '$20' and 'twenty pounds' in subsection (e) and inserting in lieu thereof '$30' and 'fifty pounds', respectively, effective January 1, 1963.

"Fourth-class mail

"SEC. 108. Section 4552(b)(5) of title 39, United States Code, relating to size and weight limitations on fourth-class matter mailed to or from certain areas, is amended by striking out the words 'Territory of Hawaii' and inserting in lieu thereof the words 'States of Alaska and Hawaii,'.

"SEC. 109. Section 4554 of title 39, United States Code (relating to books, films, and similar educational materials), is amended by striking out that part of subsection (a) which precedes paragraph (1) and inserting in lieu thereof the following:

"'(a) Except as provided in subsection (b) of this section, the postage rate is 9½ cents a pound for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof when mailed after January 6, 1963 and prior to January 1, 1964, and 10 cents for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof when mailed after December 31, 1963, except that the rate now or hereafter prescribed for third- or fourth-class matter shall apply in every case where such rate is lower than the rate prescribed in this subsection on—'.

"Fees for second-class entry and registration

"SEC. 110. Section 4357 of title 39, United States Code, is amended—

"(1) by striking out '$25' in subsection (a)(1) and inserting in lieu thereof '$30';

"(2) by striking out '$50' in subsection (a)(2) and inserting in lieu thereof '$60';

"(3) by striking out '$100' in subsection (a)(3) and inserting in lieu thereof '$120';

"(4) by striking out '$10' in the first sentence of subsection (b) and inserting in lieu thereof '$15';

"(5) by striking out the second sentence of subsection (b) and inserting in lieu thereof the following: 'The fee for each additional entry is $15, except that if the additional entry is made within zones 3 to 8, inclusive (determined from the office of publication and entry), of the zones established for purposes of fourth-class mail, such fee shall be '$50.';

"(6) by striking out '$20' in subsection (c) and inserting in lieu thereof '$25'; and

"(7) by striking out the last sentence in subsection (d).

"Permit fees for mailing without stamps

"SEC. 111. Section 4052(b) of title 39, United States Code, is amended by striking out '$10' and inserting in lieu thereof '$15'.

"Fixing of fees by Postmaster General

"SEC. 112. Section 507 of title 39, United States Code, is amended by adding at the end thereof the following:

"'(12) the issuance of a permit for prepayment of postage without stamps.

"'(13) the entry, re-entry, or additional entry of a periodical publication as second-class mail.

"'(14) the registry of a news agent.

Fees prescribed by the Postmaster General under paragraphs (12) to (14), inclusive, shall be collected in lieu of the corresponding fees estalished under section 4052(b) or 4357."

"Keys and other small articles

"SEC. 113. Section 4651(b) of title 39, United States Code, is amended by striking out '5 cents' and inserting in lieu thereof '6 cents'.

"Method of determining gross receipts

"SEC. 114. Section 711(c) of title 39, United States Code, is amended by striking out 'Public Law 85–426' and inserting in lieu thereof 'any Act of Congress enacted on or after May 27, 1958'.

"Standards for determination of qualifications of applicants for positions of postmaster

"SEC. 115. In evaluating the qualifications of applicants for positions of postmaster, the United States Civil Service Commission shall give, with respect to each applicant, all due and appropriate consideration to experience in the postal field service, including seniority, length of service, level of difficulty and responsibility of work, attendance, awards and commendations, and performance rating.

"Title II—Postal Policy

"SEC. 201. (a) Section 2302(c)(4) of title 39, United States Code, is amended by striking out 'deemed to be attributable to the performance of public services under section 2303(b) of this title' and inserting in lieu thereof 'determined under section 2303 of this title to be attributable to the performance of public services'.

"(b) Section 2303(a) of title 39, United States Code, is amended—

"(1) by amending the heading so as to read

"'§ 2303. Identification of public services and costs thereof';

"(2) by striking out paragraph 1(A) and inserting in lieu thereof the following:

"'(A) reduced rates for certain publications as provided by section 4359 of this title;';

"(3) by striking out paragraph 1(C) and inserting in lieu thereof the following:

"'(C) second class mailings at postage rates as provided by section 4358 of this title;'; and

"(4) by striking out paragraph (2) and inserting in lieu thereof the following:

"'(2) 10 per centum of the gross cost of the operation of third-class post offices and the star route system, and 20 per centum of the gross cost of the operation of fourth-class post offices and rural routes.'

"(5) by adding at the end thereof the following new sentence: 'The terms "total loss" and "loss" as used in this section mean the amounts by which the total allocated costs incurred by the postal establishment in the performance of the public services enumerated in this subsection exceed the total revenues received by the postal establishment for the performance of such public services.'

"(c) Section 2303(b) of title 39, United States Code, is amended to read as follows:

"'(b) The Postmaster General shall report to the Congress, on or before February 1 of each year beginning with the year 1963, the estimated amount of the losses or costs (or percentage of costs) specified in subsection (a) incurred by the postal establishment in the then current fiscal year in the performance of the public services enumerated in such subsection. The aggregate amount of the losses or costs (or percentage of costs) specified in subsection (a), incurred by the postal establishment in any fiscal year in the performance of such public services, shall be excluded from the total cost of operating the postal establishment for purposes of adjustment of postal rates and fees, including any adjustment pursuant to the provisions of section 207(b) of the Act of February 28, 1925, relating to reformation of classification (39 U.S.C., 1958 ed. 247).'

"(d) The table of contents of chapter 27 of title 39, United States Code, is amended by striking out

"'2303. Identification of and appropriations for public services.'

and inserting in lieu thereof:

"'2303. Identification of public services and costs thereof.'.

"Title III—Miscellaneous

"Eligibility of certain organizations for second-class entry

"SEC. 301. Section 4355(a) of title 39, United States Code, is amended—

"(1) by inserting after the words 'State board of health' in subparagraph (3) a comma and the words 'or a State industrial development agency';

"(2) by striking out the period at the end of subparagraph (9) and inserting in lieu of such period a semicolon and the word 'or'; and

"(3) by adding at the end thereof the following new subparagraph (10):

"'(10) published by any public or nonprofit private elementary or secondary institution of learning or its administrative or governing body.'.

"Educational materials

"SEC. 302. Section 4554 of title 39, United States Code, is amended—

"(1) by striking out paragraph (5) of subsection (a) and inserting in lieu thereof the following:

"'(5) sound recordings, including incidental announcements of recordings and guides or scripts prepared solely for use with such recordings;';

"(2) by striking out the period at the end of paragraph (6) of subsection (a) and inserting in lieu thereof a semicolon;

"(3) by adding at the end of subsection (a) the following:

"'(7) printed educational reference charts, permanently processed for preservation; and

"'(8) looseleaf pages, and binders, therefor, consisting of medical information for distribution to doctors, hospitals, medical schools, and medical students.'

"(4) by striking out the word 'students'" immediately preceding the word 'notations' in paragraph (1) of subsection (a) and in paragraph (2) of subsection (b);

"(5) by inserting after the words 'loaned or exchanged' in paragraph (1) of subsection (b) the following: '(including cooperative processing by libraries)';

"(6) by striking out:

"'(D) bound volumes of periodicals;

"'(E) phonograph recordings; and'

in paragraph (2) of subsection (b) and inserting in lieu thereof:

"'(D) periodicals, whether bound or unbound;

"'(E) sound recordings; and'; and

"(7) by striking out 'and catalog of those items' in subsection (c) and inserting in lieu thereof 'scientific or mathematical kits, instruments, or other devices and catalogs of those items, and guides or scripts prepared solely for use with such materials'.

"Reading and other materials for blind persons

"SEC. 303. Sections 4653 and 4654 of title 39, United States Code, are amended to read as follows:

"'§ 4653. Publications for blind persons

"'(a) The following matter may be mailed free of postage—

"'(1) books, pamphlets, and other reading matter, including pages thereof:

"'(A) published (whether prepared by hand, or printed) either in raised characters or in sightsaving-size type, or in the form of sound recordings, for use of blind persons;

"'(B) in packages not exceeding the weight prescribed by the Postmaster General;

"'(C) containing no advertising or other matter whatsoever;

"'(D) unsealed;

"'(E) sent—

"'(i) by an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, as a loan to blind readers, or when returned by the blind reader to the lender; or

"'(ii) to a blind person without cost to the blind person; or

"'(iii) to an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, to be furnished to a blind person without cost to such blind person.

"'(2) magazines, periodicals, and other regularly issued publications:

"'(A) published (whether prepared by hand, or printed) either in raised characters or in sightsaving-size type, or in the form of sound recordings, for use of blind persons;

"'(B) containing no advertising;

"'(C) for which no subscription fee is charged.

"'(b) There may be mailed at the rate of postage of 1 cent for each pound or fraction thereof—

"'(1) books, pamphlets, and other reading matter, including pages thereof:

"'(A) published (whether prepared by hand, or printed) either in raised characters or in sightsaving-size type, or in the form of sound recordings, for use of blind persons;

"'(B) in packages not exceeding the weight prescribed by the Postmaster General;

"'(C) containing no advertising or other matter whatsoever;

"'(D) unsealed;

"'(E) sent—

"'(i) by an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, on a rental basis to blind readers, or when returned by the blind reader to such organizations, at a price not greater than the cost price thereof; or

"'(ii) to a blind person at a price not greater than the cost price thereof; or

"'(iii) to an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, to be furnished to a blind person at a price not greater than the cost price thereof.

"'(2) magazines, periodicals, and other regularly issued publications:

"'(A) published (whether prepared by hand, or printed) either in raised characters or in sightsaving-size type, or in the form of sound recordings, for use of blind persons;

"'(B) containing no advertising;

"'(C) when furnished by an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, to a blind person, at a price not greater than the cost price thereof.

"'§ 4654. Reproducers, sound recordings, and other materials and appliances for the preparation of reading matter for blind persons

"'(a) Reproducers, or parts thereof, for sound recordings for blind persons which are the property of the United States Government may be mailed free of postage when sent for repair, or returned after repair—

"'(1) by an organization, institution, public library, or association for blind persons, not conducted for private profit;

"'(2) by a blind person to such an agency not conducted for private profit;

"'(3) from such an agency to an organization, institution, public library, or association for blind persons not conducted for private profit; or

"'(4) to a blind person.

"'(b) The Postmaster General may extend the free mailing privilege provided by subsection (a) of this section to reproducers or parts thereof for sound recordings for blind persons, braille writers and other appliances for blind persons or parts thereof, that are the property of—

"'(1) State governments or subdivisions thereof;

"'(2) public libraries;

"'(3) private agencies for the blind not conducted for private profit; or

"'(4) blind individuals.

"'(c) The Postmaster General may also permit the mailing free of postage of paper, records, tapes, and other materials for use by the recipients for the production (whether by hand or printed) of reading matter either in raised characters or sightsaving-size type, or in the form of sound recordings, for use of blind persons, where such materials are the property of—

"'(1) State governments or subdivisions thereof;

"'(2) public libraries;

"'(3) private agencies for the blind not conducted for private profit; or

"'(4) blind individuals.'

"Repeals and technical amendments

"SEC. 304. (a) The following provisions of law are repealed:

"(1) The third proviso in section 3 of the Act of October 30, 1951, as amended by the Act of June 23, 1959 (73 Stat. 89; Public Law 86–56);

"(2) Sections 204(d), 204(e)(1), and 204(e)(2) of the Postal Rate Revision and Federal Employees Salary Act of 1948, as amended by the Act of July 14, 1960 (74 Stat. 479; Public Law 86–644);

"(3) Sections 4361 and 4652 of title 39, United States Code.

"(b) Section 4359(a) of title 39, United States Code, is amended by striking out '4358, 4361, and 4362' and inserting in lieu thereof '4358 and 4362'.

"(c) Section 4451(d) of title 39, United States Code, is amended by striking out '(a)(2)' and inserting in lieu thereof '(a)(3)'.

"Communist political propaganda

"SEC. 305. (a) Chapter 51 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"'§ 4008. Communist political propaganda

"'(a) Mail matter, except sealed letters, which originates or which is printed or otherwise prepared in a foreign country and which is determined by the Secretary of the Treasury pursuant to rules and regulations to be promulgated by him to be "communist political propaganda", shall be detained by the Postmaster General upon its arrival for delivery in the United States, or upon its subsequent deposit in the United States domestic mails, and the addressee shall be notified that such matter has been received and will be delivered only upon the addressee's request, except that such detention shall not be required in the case of any matter which is furnished pursuant to subscription or which is otherwise ascertained by the Postmaster General to be desired by the addressee. If no request for delivery is made by the addressee within a reasonable time, which shall not exceed sixty days, the matter detained shall be disposed of as the Postmaster General directs.

"'(b) For the purposes of this section, the term "communist political propaganda" means political propaganda, as defined in section 1(j) of the Foreign Agents Registration Act of 1938, as amended (22 U.S.C. 611(j)), issued by or on behalf of any country with respect to which there is in effect a suspension or withdrawal of tariff concessions pursuant to section 5 of the Trade Agreements Extension Act of 1951 or section 231 of the Trade Expansion Act of 1962, or any country from which any type of foreign assistance is withheld pursuant to section 620(f) of the Foreign Assistance Act of 1961, as amended.

"'(c) The provisions of this section shall not be applicable with respect to (1) matter addressed to any United States Government agency, or any public library, or to any college, university, graduate school, or scientific or professional institution for advanced studies, or any official thereof, or (2) material whether or not "communist political propaganda" addressed for delivery in the United States pursuant to a reciprocal cultural international agreement under which the United States Government mails an equal amount of material for delivery in any country described in subsection (b).'

"(b) The table of contents of chapter 51 of title 39, United States Code, is amended by adding at the end thereof the following:

"'4008. Communist political propaganda.'

"Effective date

"SEC. 306. Except as otherwise provided, the foregoing provisions of this part shall become effective on January 7, 1963.

"Notice with respect to obscene matter distributed by mail and detention thereof

"SEC. 307. In order to alert the recipients of mail and the general public to the fact that large quantities of obsence, lewd, lascivious, and indecent matter are being introduced into this country from abroad and disseminated in the United States by means of the United States mails, the Postmaster General shall publicize such fact (1) by ap-

propriate notices posted in post offices, and (2) by notifying recipients of mail, whenever he deems it appropriate in order to carry out the purposes of this section, that the United States mails may contain such obscene, lewd, lascivious, or indecent matter. Any person may file a written request with his local post office to detain obsence, lewd, lascivious, or indecent matter addressed to him, and the Postmaster General shall detain and dispose of such matter for such period as the request is in effect. The Postmaster General shall permit the return of mail containing obsence, lewd, lascivious, or indecent matter, to local post offices, without cost to the recipient thereof. Nothing in this section shall be deemed to authorize the Postmaster General to open, inspect, or censor any mail except on specific request by the addressee thereof. The Postmaster General is authorized to prescribe such regulations as he may deem appropriate to carry out the purposes of this section.

"PART II—FEDERAL SALARY REFORM

"Title I—General Policy

"Short title

"SEC. 501. This part may be cited as the 'Federal Salary Reform Act of 1962'.

"Declaration of policy

"SEC. 502. The Congress hereby declares that, whereas the functions of a Federal salary system are to fix salary rates for the services rendered by Federal employees so as to make possible the employment of persons well qualified to conduct the Government's programs and to control expenditures of public funds for personal services with equity to the employee and to the taxpayer, and whereas fulfillment of these functions is essential to the development and maintenance of maximum proficiency in the civilian services of Government, then, accordingly, Federal salary fixing shall be based upon the principles that—

"(a) There shall be equal pay for substantially equal work, and pay distinctions shall be maintained in keeping with work and performance distinctions; and

"(b) Federal salary rates shall be comparable with private enterprise salary rates for the same levels of work.

Salary levels for the several Federal statutory salary systems shall be interrelated, and salary levels shall be set and henceforth adjusted in accordance with the above principles.

"IMPLEMENTATION OF POLICY

"SEC. 503. In order to give effect to the policy stated in section 502, the President: (1) shall direct such agency or agencies, as he deems appropriate, to prepare and submit to him annually a report which compares the rates of salary fixed by statute for Federal employees with the rates of salary paid for the same levels of work in private enterprise as determined on the basis of appropriate annual surveys conducted by the Bureau of Labor Statistics, and, after seeking the views of such employee organizations as he deems appropriate and in such manner as he may provide, (2) shall report annually to the Congress (a) this comparison of Federal and private enterprise salary rates and (b) such recommendations for revision of statutory salary schedules, salary structures, and compensation policy, as he deems advisable.

"SEC. 504. (a) Whenever the President shall find that the salary rates in private enterprise for one or more occupations in one or more areas or locations are so substantially above the salary rates of statutory pay schedules as to handicap significantly the Government's recruitment or retention of well-qualified persons in positions compensated under (1) section 603(b) of the Classification Act of 1949, as amended (5 U.S.C. 1113 (b)), (2) the provisions of part III of title 39, United States Code, relating to personnel in the postal field service, (3) the pay scales for physicians, dentists, and nurses in the Department of Medicine and Surgery of the Veterans' Administration under chapter 73 of title 38, United States Code, or (4) sections 412 and 415 of the Foreign Service Act of 1946, as amended (22 U.S.C. 867 and 870), he may establish for such areas or locations higher minimum rates of basic compensation for one or more grades or levels, occupational groups, series, classes, or subdivisions thereof, and may make corresponding increases in all step rates of the salary range for each such grade or level: *Provided,* That in no case shall any minimum salary rate so established exceed the seventh salary rate prescribed by law for the grade or level. The President may authorize the exercise of the authority conferred upon him by this section by the Civil Service Commission or, in the case of employees not subject to the civil service laws and regulations, by such other agency or agencies as he may designate.

"(b) Within the limitations specified in subsection (a), rates of basic compensation established under such subsection may be revised from time to time by the President or by such agency or agencies as he may designate. Such actions or revisions shall have the force and effect of law.

"(c) Any increase in rate of basic compensation established under this section shall not be regarded as an 'equivalent increase' in compensation within the meaning of section 701(a) of the Classification Act of 1949, as amended, and section 3552 of title 39 of the United States Code.

"SEC. 505. The functions, duties, and regulations of the departments and the Civil Service Commission with respect to this title, the Classification Act of 1949, as amended, the provisions of part III of title 39, United States Code, relating to personnel in the postal field service, the Foreign Service Act of 1946, as amended, and the provisions of chapter 73 of title 38 of the United States Code relating to personnel of the Department of Medicine and Surgery in the Veterans' Administration, shall be subject to such policies and rules as the President may issue. Among other things, the President's policies and rules may provide for—

"(1) preparing and reporting to him the annual comparison of Federal salary rates with private enterprise rates,

"(2) obtaining and reporting to him the views of employee organizations on such annual comparison, and on other salary matters,

"(3) reviewing and reporting to him on the adequacy of the Federal statutory salary structures for the Federal programs to which they apply,

"(4) reviewing the relationship of Federal statutory salary rates and private enterprise salary rates in specific occupation and local areas, and

"(5) providing step-increases in recognition of high quality performance and providing for properly relating supervisory salary rates paid under one system to those of subordinates paid under another system.

"Title II—Pay System of the Classification Act of 1949

"Short title

"SEC. 601. This title may be cited as the 'Classification Act Amendments of 1962'.

"Basic compensation schedules

"SEC. 602. (a) Section 603(b) of the Classification Act of 1949, as amended (74 Stat. 298; 5 U.S.C. 1113(b)), is amended to read as follows:

"'(b) The compensation schedules for the General Schedule shall be as follows:

"'COMPENSATION SCHEDULE I

"'(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act, and ending immediately prior to the applicable initial effective date of Compensation Schedule II set forth below)

"'Grade	Per annum rates and steps									
	1	2	3	4	5	6	7	8	9	10
GS-1	$3,245	$3,350	$3,455	$3,560	$3,665	$3,770	$3,875	$3,980	$4,085	$4,190
GS-2	3,560	3,665	3,770	3,875	3,980	4,085	4,190	4,295	4,400	4,505
GS-3	3,820	3,925	4,030	4,135	4,240	4,345	4,455	4,580	4,705	4,830
GS-4	4,110	4,250	4,390	4,530	4,670	4,810	4,950	5,090	5,230	5,370
GS-5	4,565	4,725	4,885	5,045	5,205	5,365	5,525	5,685	5,845	6,005
GS-6	5,035	5,205	5,375	5,545	5,715	5,885	6,055	6,225	6,395	6,565
GS-7	5,540	5,725	5,910	6,095	6,280	6,465	6,650	6,835	7,020	7,205
GS-8	6,090	6,295	6,500	6,705	6,910	7,115	7,320	7,525	7,730	7,935
GS-9	6,675	6,900	7,125	7,350	7,575	7,800	8,025	8,250	8,475	8,700
GS-10	7,290	7,535	7,780	8,025	8,270	8,515	8,760	9,005	9,250	9,495
GS-11	8,045	8,310	8,575	8,840	9,105	9,370	9,635	9,900	10,165	----
GS-12	9,475	9,790	10,105	10,420	10,735	11,050	11,365	11,680	11,995	----
GS-13	11,150	11,515	11,880	12,245	12,610	12,975	13,340	13,705	14,070	----
GS-14	12,845	13,270	13,695	14,120	14,545	14,970	15,395	15,820	16,245	----
GS-15	14,565	15,045	15,525	16,005	16,485	16,965	17,445	17,925	----	----
GS-16	16,000	16,500	17,000	17,500	18,000	----	----	----	----	----
GS-17	18,000	18,500	19,000	19,500	20,000	----	----	----	----	----
GS-18	20,000	----	----	----	----	----	----	----	----	----

"'COMPENSATION SCHEDULE II

"'(To be effective on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

"'Grade	Per annum rates and steps									
	1	2	3	4	5	6	7	8	9	10
GS-1	$3,305	$3,410	$3,515	$3,620	$3,725	$3,830	$3,935	$4,040	$4,145	$4,250
GS-2	3,620	3,725	3,830	3,935	4,040	4,145	4,250	4,355	4,460	4,565
GS-3	3,880	3,985	4,090	4,195	4,300	4,405	4,525	4,650	4,775	4,900
GS-4	4,215	4,355	4,495	4,635	4,775	4,915	5,055	5,195	5,335	5,475
GS-5	4,690	4,850	5,010	5,170	5,330	5,490	5,650	5,810	5,970	6,130
GS-6	5,225	5,410	5,585	5,760	5,935	6,110	6,285	6,460	6,635	6,810
GS-7	5,795	5,990	6,185	6,380	6,575	6,770	6,965	7,160	7,355	7,550
GS-8	6,390	6,600	6,810	7,020	7,230	7,440	7,650	7,860	8,070	8,280
GS-9	7,030	7,260	7,490	7,720	7,950	8,180	8,410	8,640	8,870	9,100
GS-10	7,690	7,945	8,200	8,455	8,710	8,965	9,220	9,475	9,730	9,985
GS-11	8,410	8,690	8,970	9,250	9,530	9,810	10,090	10,370	10,650	------
GS-12	9,980	10,310	10,640	10,970	11,300	11,630	11,960	12,290	12,620	------
GS-13	11,725	12,110	12,495	12,880	13,265	13,650	14,035	14,420	14,805	------
GS-14	13,615	14,065	14,515	14,965	15,415	15,865	16,315	16,765	17,215	------
GS-15	15,665	16,180	16,695	17,210	17,725	18,240	18,755	19,270	------	------
GS-16	16,000	16,500	17,000	17,500	18,000	------	------	------	------	------
GS-17	18,000	18,500	19,000	19,500	20,000	------	------	------	------	------
GS-18	20,000	------	------	------	------	------	------	------	------	------'.

"(b) The rates of basic compensation of officers and employees to whom Compensation Schedule I of the General Schedule set forth in subsection (a) of this section applies shall, subject to the provisions of paragraph (10) of this subsection, be initially adjusted, effective on the first day of the first pay period beginning on or after the date of enactment of this Act, as follows:

"(1) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the first, second, third, fourth, fifth, sixth, or seventh scheduled rate, or at the first or second longevity rate of a grade below grade 4 of the General Schedule of the Classification Act of 1949, as amended, he shall be advanced as follows: Employees in step 1 to step 2 of the new schedule; step 2 to step 3; step 3 to step 4; step 4 to step 5; step 5 to step 6; step 6 to step 7; step 7 to step 8; the first longevity step to step 9; and the second longevity step to step 10.

"(2) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the third longevity rate of a grade below grade 4 of the General Schedule of the Classification Act of 1949, as amended, he shall receive basic compensation at the highest rate of the appropriate grade plus an amount equal to the value of the maximum within grade increment provided for that grade in effect on and after such day.

"(3) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the first, second, third, fourth, fifth, sixth, or seventh scheduled rate, or at the first, second, or third longevity rate, of grade 4, 5, 6, 7, 8, 9, or 10 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, fifth, sixth, seventh, eighth, ninth, or tenth rate of the appropriate grade in effect on and after such day.

"(4) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the first, second, third, fourth, fifth, or sixth scheduled rate, or at the first, second, or third longevity rate of grade 11, 12, 13, or 14 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, fifth, sixth, seventh, eighth, or ninth rate of the appropriate grade in effect on and after such day.

"(5) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the first, second, third, fourth, or fifth scheduled rate, or at the first, second, or third longevity rate of grade 15 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, fifth, sixth, seventh, or eighth rate of such grade in effect on and after such day.

"(6) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period, which begins on or after the date of enactment of this Act at the first, second, third, fourth, or fifth rate of grade 16 or grade 17 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, or fifth rate of the appropriate grade in effect on and after such day.

"(7) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding rate of such grade in effect on and after such day.

"(8) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at a rate between two scheduled or two longevity rates, or between a scheduled and a longevity rate, of a grade of the General Schedule, he shall receive a rate of basic compensation at the higher of the two corresponding rates, as specified in paragraphs (1) through (6) of this subsection, in effect on and after such day.

"(9) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at a rate in excess of the maximum longevity rate for his grade, or in excess of the maximum scheduled rate for his grade if there is no longevity rate for his grade, he shall receive (A) the rate of the new schedule, in effect on and after such day, prescribed by paragraphs (1) through (6) of this subsection for employees at the maximum longevity rate or at the maximum scheduled rate, as the case may be, for his grade, or (B) if such rate is less than his existing rate, (i) the lowest rate of the new schedule for his grade which equals or exceeds his existing rate or (ii) if there is no such rate, his existing rate.

"(10) Service of officers and employees performed immediately preceding the first day of the first pay period which begins on or after the date of enactment of this Act, in the grade of the General Schedule in which their respective positions were placed on such day, shall be counted toward not to exceed one step increase under the time in grade provisions of subsection (a) of section 701 of the Classification Act of 1949 as amended by this Act.

"(11) If the officer or employee, immediately prior to the first day of the first pay period which began on or after the date of enactment of this Act, is receiving, pursuant to paragraph (4) of section 2(b) of the Federal Employees Salary Increase Act of 1955, an existing aggregate rate of compensation determined under section 208(b) of the Act of September 1, 1954 (68 Stat. 1111; Public Law 763, Eighty-third Congress), plus the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, by section 2 of the Federal Employees Salary Increase Act of 1958, and by section 112 of the Federal Employees Salary Increase Act of 1960, he shall receive an aggregate rate of compensation equal to the sum of (A) his existing aggregate rate of compensation determined under such section 208(b) of the Act of September 1, 1954, (B) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, (C) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1958, (D) the amount of the increase provided by section 112 of the Federal Employees Salary Increase Act of 1960, and (E) the amount of the increase made by this section in the maximum rate of his grade, until (i) he leaves his position, or (ii) he is entitled to receive aggregate compensation at a higher rate by reason of the operation of this Act or any other provision of law; but, when such position becomes vacant, the aggregate rate of compensation of any subsequent appointee thereto shall be fixed in accordance with applicable provisions of law. Subject to clauses (i) and (ii) of the immediately preceding sentence of this paragraph, the amount of the increase provided by this section shall be held and considered for the purpose of section 208(b) of such Act of September 1, 1954, to constitute a part of the existing rate of compensation of such employee.

"(c) The rates of basic compensation of officers and employees to whom Compensation Schedule II of the General Schedule set forth in subsection (a) of this section applies shall be initially adjusted, effective as of the first day of the first pay period beginning on or after January 1, 1964, as follows:

"(1) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after January 1, 1964, at one of the rates of a grade in the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding rate in effect on and after such date.

"(2) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after January 1, 1964, at a rate between two rates of a grade in the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the higher of the two corresponding rates in effect on and after such date.

"(3) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after January 1, 1964, at a rate in excess of the maximum rate for his grade, as in effect on and after such date, he shall receive (A) the rate of the new schedule prescribed for employees at the maximum rate for his grade, or (B) his existing rate

of basic compensation if such existing rate is higher.

"(4) If the officer or employee, immediately prior to the first day of the first pay period which begins on or after January 1, 1964, is receiving, pursuant to paragraph (4) of section 2(b) of the Federal Employees Salary Increase Act of 1955, an existing aggregate rate of compensation determined under section 208(b) of the Act of September 1, 1954 (68 Stat. 1111; Public Law 763, Eighty-third Congress), plus the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, by section 2 of the Federal Employees Salary Increase Act of 1958, and by section 112 of the Federal Employees Salary Increase Act of 1960, and the amount of the initial increase provided by this section, he shall receive an aggregate rate of compensation equal to the sum of (A) his existing aggregate rate of compensation determined under such section 208(b) of the Act of September 1, 1954, (B) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, (C) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1958, (D) the amount of the increase provided by section 112 of the Federal Employees Salary Increase Act of 1960, and (E) the amount of the increase made by this section in the maximum rate of his grade, until (i) he leaves his position, or (ii) he is entitled to receive aggregate compensation at a higher rate by reason of the operation of this Act or any other provision of law; but, when such position becomes vacant, the aggregate rate of compensation of any subsequent appointee thereto shall be fixed in accordance with applicable provisions of law. Subject to clauses (i) and (ii) of the immediately preceding sentence of this paragraph, the amount of the increase provided by this section shall be held and considered for the purpose of section 208(b) of such Act of September 1, 1954, to constitute a part of the existing rate of compensation of such employee.

"Step-increases

"SEC. 603. Title VII of the Classification Act of 1949, as amended (5 U.S.C. 1121–1125), relating to step-increases under such Act, is amended to read as follows:

"'TITLE VII—STEP-INCREASES

"'SEC. 701. (a) Each officer or employee compensated on a per annum basis, and occupying a permanent position within the scope of the compensation schedules fixed by this Act, who has not attained the maximum rate of compensation for the grade in which his position is placed, shall be advanced in compensation successively to the next higher rate within the grade at the beginning of the next pay period following the completion of (1) each fifty-two calendar weeks of service in salary rates 1, 2, and 3, or (2) each one hundred and four calendar weeks of service in salary rates 4, 5, and 6, or (3) each one hundred and fifty-six calendar weeks of service in salary rates 7, 8, and 9, subject to the following conditions:

"'(A) That no equivalent increase in compensation from any cause was received during such period;

"'(B) That his work is of an acceptable level of competence as determined by the head of the department; and

"'(C) That the benefit of successive step-increases shall be preserved, under regulations issued by the Commission, for officers and employees whose continuous service is interrupted in the public interest by service with the Armed Forces or by service in essential non-Government civilian employment during a period of war or national emergency.

"'(b) Any increase in compensation granted by law shall not be construed to be an equivalent increase in compensation within the meaning of subsection (a).

"'SEC. 702. (a) Within the limit of available appropriations and in accordance with regulations prescribed by the Commission, the head of each department is authorized to grant additional step-increases in recognition of high quality performance above that ordinarily found in the type of position concerned. Step-increases under this section shall be in addition to those under section 701 and shall not be construed to be an equivalent increase in compensation within the meaning of subsection (a) of section 701.

"'(b) No officer or employee shall be eligible under this section for more than one such additional step-increase within any period of fifty-two weeks.

"'SEC. 703. This title shall not apply to the compensation of persons appointed by the President, by and with the advice and consent of the Senate.'

"General compensation rules

"SEC. 604. (a) Section 802(b) of the Classification Act of 1949, as amended (5 U.S.C. 1132(b)), relating to the salary to be received by an officer or employee who is promoted or transferred to a higher grade, is amended to read as follows:

"'(b) Any officer or employee who is promoted or transferred to a position in a higher grade shall receive basic compensation at the lowest rate of such higher grade which exceeds his existing rate of basic compensation by not less than two step-increases of the grade from which he is promoted or transferred. If, in the case of any officer or employee so promoted or transferred who is receiving basic compensation at a rate in excess of the maximum rate for his grade under any provision of law, there is no rate in such higher grade which is at least two step-increases above his existing rate of basic compensation, he shall receive (1) the maximum rate of such higher grade, or (2) his existing rate of basic compensation, if such existing rate is the higher. In case any such officer or employee so promoted or transferred is receiving basic compensation at a rate saved to him under section 507 of this Act upon reduction in grade, such officer or employee shall receive (A) basic compensation at a rate two steps above the rate which he would be receiving if such section 507 were not applicable in his case, or (B) his existing rate of basic compensation, if such existing rate is the higher.'

"(b) Section 802 of such Act is amended by adding at the end thereof a new subsection to read as follows:

"'(d) The Commission may issue regulations governing the retention of the rate of basic compensation of an employee who together with his position is brought under this Act. If any such employee so entitled to receive a retained rate under regulations issued pursuant to this subsection is later demoted to a position under this Act, his rate of basic compensation shall be determined in accordance with section 507 of this Act, except that service in the position which was brought under the Act shall, for purposes of section 507, be considered as service under this Act.'.

"(c) Section 803 of the Classification Act of 1949, as amended (5 U.S.C. 1133), is amended to read as follows:

"'SEC. 803. Each employee in a position under this Act, who regularly has responsibility for supervision (including supervision over the technical aspects of the work concerned) over employees whose compensation is fixed and adjusted from time to time by wage boards or similar administrative authorities as nearly as is consistent with the public interest in accordance with prevailing rates, may, in accordance with regulations issued by the Commission, be paid at one of the scheduled rates for his grade which is above the highest rate of basic compensation being paid to any such prevailing-rate employee regularly supervised, or at the maximum rate for his grade, as provided for in such regulations.'.

"Salary retention

"SEC. 605. Section 507 of the Classification Act of 1949, as amended (72 Stat. 830; 5 U.S.C. 1107), is amended—

"(1) by striking out '(other than grade 16, 17, or 18 of the General Schedule)' in paragraph (1) of subsection (a) of such section; and

"(2) by striking out '(B) in the same grade or in the same and higher grades;' in paragraph (4) of subsection (a) of such section; and by inserting in lieu thereof '(B) in any grade or grades higher than the grade to which demoted;'.

"Top grade positions under classification act of 1949

"SEC. 606. (a) Section 505(b) of the Classification Act of 1949, as amended (5 U.S.C. 1105(b)), relating to the limitation on numbers of positions in grades 16, 17, and 18 of the General Schedule of such Act, is amended by striking out 'not to exceed an aggregate of nineteen hundred and eighty-nine' and substituting in lieu thereof 'not to exceed an aggregate of twenty-four hundred, in addition to any professional engineering positions primarily concerned with research and development and professional positions in the physical and natural sciences and medicine which may be placed in such grades'.

"(b) Section 505(j) of such Act is amended by inserting after the word 'positions' the following: '(in addition to any professional engineering positions primarily concerned with research and development and professional positions in the physical and natural sciences and medicine which may be placed in such grades)'.

"(c) Section 505 of such Act is further amended by inserting after subsection (j) the following new subsections:

"'(k) The Attorney General is authorized, without regard to any other provision of this section, to place a total of ten positions of Warden in the Bureau of Prisons in grade 16 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grade by subsection (b).

"'(l) The Attorney General is authorized, without regard to any other provision of this section, to place a total of eight positions of Member of the Board of Parole in grade 17 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grade by subsection (b).'

"Conforming changes in existing law

"SEC. 607. (a) The following provisions of law are hereby repealed:

"(1) Section 104 of the Department of Commerce and Related Agencies Appropriation Act, 1956 (69 Stat. 234; 5 U.S.C. 592(d)), authorizing grade 17 of the General Schedule of the Classification Act of 1949 for the position of Budget Officer of the Department of Commerce so long as the position is held by the present incumbent.

"(2) Section 206 of the Public Works Appropriation Act, 1956 (69 Stat. 360; 5 U.S.C. 483–2), authorizing the Secretary of the Interior to place the position of Director, Division of Budget and Finance, in grade 17 of the General Schedule established by the Classification Act of 1949 so long as the position is held by the present incumbent.

"(3) The second paragraph under the heading 'Administrative Provisions' in title III of the Public Works Appropriation Act, 1956 (69 Stat. 364; 10 U.S.C. 1335, note), authorizing the Chief of Engineers to place the position of Chief of the Programs Branch, Office of the Assistant Chief of Engineers for Civil Works, in grade 17 of the General Schedule established by the Classification Act of 1949 so long as the position is held by the present incumbent.

"(4) Section 24(d) of the Area Redevelopment Act (75 Stat. 62; 42 U.S.C. 2521(d)), authorizing five positions in grades 16, 17, and 18 of the General Schedule established by the Classification Act of 1949 for agencies performing functions under that Act.

"(5) The fourth sentence of section 3(a) of the Fish and Wildlife Act of 1956 (70 Stat. 1120; 16 U.S.C. 7426(a)), relating to the annual salary of the Commissioner of Fish and Wildlife in the Department of the Interior, which reads: 'He shall receive compensation at the same rate as that provided for grade GS–18.'.

"(6) That part of section 207 of the Agricultural Act of 1956 (70 Stat. 200; 7 U.S.C. 1857), relating to the annual salary of an agricultural surplus disposal administrator in the Department of Agriculture, which reads: ', at a salary rate of not exceeding $15,000 per annum,'.

"(7) Section 1102 of the Classification Act of 1949, as amended (63 Stat. 971; 5 U.S.C. 1073), relating to the submission of reports with respect to the rates of compensation under, and the administration of, such Act.

"(b) The second proviso of the paragraph under the heading 'FEDERAL PRISON SYSTEM' and under the subheading 'SALARIES AND EXPENSES, BUREAU OF PRISONS' in title II (the Department of Justice Appropriation Act, 1956) of the Departments of State and Justice, the Judiciary, and Related Agencies Appropriations Act, 1956 (69 Stat. 273; Public Law 133, Eighty-fourth Congress; 5 U.S.C. 298a) is amended by striking out 'three positions' and inserting in lieu thereof 'one position'.

"SEC. 608. (a) Each position specifically referred to in, or covered by, any repeal made by section 607(a) of this title shall be placed in the appropriate grade of the General Schedule of the Classification Act of 1949, as amended, in accordance with the provisions of such Act.

"(b) Positions in grade 16, 17, or 18, as the case may be, of the General Schedule of the Classification Act of 1949, as amended, immediately prior to the effective date of this section, shall remain, on and after such effective date, in their respective grades, until appropriate action is taken under section 505 of the Classification Act of 1949 as in effect on and after such effective date.

"SEC. 609. (a) The changes in existing law made by this title shall not affect any position existing immediately prior to the effective date of any such changes in existing law, the compensation attached to such position, and any incumbent thereof, his appointment thereto, and his entitlement to receive the compensation attached thereto, until appropriate action is taken in accordance with this title.

"(b) The incumbent of each such position immediately prior to the effective date of this title shall continue to receive the rate of basic compensation which he was receiving immediately prior to such effective date until he leaves such position or until he is entitled to receive compensation at a higher rate in accordance with law. When such incumbent leaves such position, the rate of basic compensation of each subsequent appointee to such position shall be determined in accordance with the Classification Act of 1949, as amended.

"Effective dates

"SEC. 610. Except as otherwise expressly provided in this title, the provisions of this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

"Title III—Postal Field Service Employees

"Short title

"SEC. 701. This title may be cited as the 'Postal Employees Salary Adjustment Act of 1962'.

"Postal Field Service Schedules

"SEC. 702. Subsection (a) of section 3542 of title 39, United States Code, is amended to read as follows:

"'(a) There are established basic compensation schedules for positions in the postal field service which shall be known as the Postal Field Service Schedules and for which the symbol shall be "PFS". Each such schedule shall be in effect for the period specified with respect to such schedule. Except as provided in sections 3543 and 3544 of this title, basic compensation shall be paid to all employees in accordance with these schedules.

"'POSTAL FIELD SERVICE SCHEDULE I

"'(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act, and ending immediately prior to the applicable initial effective date of the second PFS schedule set forth below)

"'PFS	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
1	$3,595	$3,725	$3,855	$3,985	$4,115	$4,245	$4,375	$4,505	$4,635	$4,765	$4,895	$5,025
2	3,905	4,040	4,175	4,310	4,445	4,580	4,715	4,850	4,985	5,120	5,255	5,390
3	4,230	4,375	4,520	4,665	4,810	4,955	5,100	5,245	5,390	5,535	5,680	5,825
4	4,565	4,725	4,885	5,045	5,205	5,365	5,525	5,685	5,845	6,005	6,165	6,325
5	4,965	5,130	5,295	5,460	5,625	5,790	5,955	6,120	6,285	6,450	6,615	6,780
6	5,365	5,545	5,725	5,905	6,085	6,265	6,445	6,625	6,805	6,985	7,165	7,345
7	5,805	6,000	6,195	6,390	6,585	6,780	6,975	7,170	7,365	7,560	-------	-------
8	6,285	6,495	6,705	6,915	7,125	7,335	7,545	7,755	7,965	8,175	-------	-------
9	6,805	7,030	7,255	7,480	7,705	7,930	8,155	8,380	8,605	8,830	-------	-------
10	7,395	7,640	7,885	8,130	8,375	8,620	8,865	9,110	9,355	9,600	-------	-------
11	8,045	8,310	8,575	8,840	9,105	9,370	9,635	9,900	10,165	-------	-------	-------
12	8,840	9,135	9,430	9,725	10,020	10,315	10,610	10,905	11,200	-------	-------	-------
13	9,725	10,050	10,375	10,700	11,025	11,350	11,675	12,000	12,325	-------	-------	-------
14	10,705	11,060	11,415	11,770	12,125	12,480	12,835	13,190	13,545	-------	-------	-------
15	11,780	12,170	12,560	12,950	13,340	13,730	14,120	14,510	14,900	-------	-------	-------
16	12,955	13,385	13,815	14,245	14,675	15,105	15,535	15,965	-------	-------	-------	-------
17	14,260	14,730	15,200	15,670	16,140	16,610	17,080	17,550	-------	-------	-------	-------
18	15,500	16,000	16,500	17,000	17,500	18,000	18,500	-------	-------	-------	-------	-------
19	16,750	17,250	17,750	18,250	18,750	19,250	-------	-------	-------	-------	-------	-------
20	18,000	18,500	19,000	19,500	-------	-------	-------	-------	-------	-------	-------	-------

"'POSTAL FIELD SERVICE SCHEDULE II

"'(To be effective on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

"'PFS	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
1	$3,690	$3,820	$3,950	$4,080	$4,210	$4,340	$4,470	$4,600	$4,730	$4,860	$4,990	$5,120
2	4,010	4,145	4,280	4,415	4,550	4,685	4,820	4,955	5,090	5,225	5,360	5,495
3	4,345	4,490	4,635	4,780	4,925	5,070	5,215	5,360	5,505	5,650	5,795	5,940
4	4,690	4,850	5,010	5,170	5,330	5,490	5,650	5,810	5,970	6,130	6,290	6,450
5	5,085	5,255	5,425	5,595	5,765	5,935	6,105	6,275	6,445	6,615	6,785	6,955
6	5,500	5,685	5,870	6,055	6,240	6,425	6,610	6,795	6,980	7,165	7,350	7,535
7	5,950	6,150	6,350	6,550	6,750	6,950	7,150	7,350	7,550	7,750	-------	-------
8	6,440	6,655	6,870	7,085	7,300	7,515	7,730	7,945	8,160	8,375	-------	-------
9	6,965	7,200	7,435	7,670	7,905	8,140	8,375	8,610	8,845	9,080	-------	-------
10	7,650	7,900	8,150	8,400	8,650	8,900	9,150	9,400	9,650	9,900	-------	-------
11	8,410	8,690	8,970	9,250	9,530	9,810	10,090	10,370	10,650	-------	-------	-------
12	9,270	9,575	9,880	10,185	10,490	10,795	11,100	11,405	11,710	-------	-------	-------
13	10,210	10,545	10,880	11,215	11,550	11,885	12,220	12,555	12,890	-------	-------	-------
14	11,240	11,610	11,980	12,350	12,720	13,090	13,460	13,830	14,200	-------	-------	-------
15	12,370	12,780	13,190	13,600	14,010	14,420	14,830	15,240	15,650	-------	-------	-------
16	13,625	14,075	14,525	14,975	15,425	15,875	16,325	16,775	-------	-------	-------	-------
17	15,000	15,495	15,990	16,485	16,980	17,475	17,970	18,465	-------	-------	-------	-------
18	15,500	16,000	16,500	17,000	17,500	18,000	18,500	-------	-------	-------	-------	-------
19	16,750	17,250	17,750	18,250	18,750	19,250	-------	-------	-------	-------	-------	-------
20	18,000	18,500	19,000	19,500	-------	-------	-------	-------	-------	-------	-------	-------

"Rural carrier schedules

"SEC. 703. (a) Section 3543(a) of title 39, United States Code, is amended to read as follows:

"'(a) There are established basic compensation schedules which shall be known as the Rural Carrier Schedules, and for which the symbol shall be "RCS". Each such schedule shall be in effect for the period specified with respect to such schedule.

"'RURAL CARRIER SCHEDULE I

"'(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act, and ending immediately prior to the applicable initial effective date of the second RCS Schedule set forth below)

	"'Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
Carriers in rural delivery service:												
Fixed compensation per annum	$2,027	$2,127	$2,227	$2,327	$2,427	$2,527	$2,627	$2,727	$2,827	$2,927	$3,027	$3,127
Compensation per mile per annum for each mile up to 30 miles of route	75	77	79	81	83	85	87	89	91	93	95	97
For each mile of route over 30 miles	24	24	24	24	24	24	24	24	24	24	24	24

"'RURAL CARRIER SCHEDULE II

"'(To be effective for the period beginning on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

	"'Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
Carriers in rural delivery service:												
Fixed compensation per annum	$2,080	$2,180	$2,280	$2,380	$2,480	$2,580	$2,680	$2,780	$2,880	$2,980	$3,080	$3,180
Compensation per mile per annum for each mile up to 30 miles of route	77	79	81	83	85	87	89	91	93	95	97	99
For each mile of route over 30 miles	25	25	25	25	25	25	25	25	25	25	25	25'

"(b) Section 3543(c) of title 39, United States Code, is amended to read as follows:

"'(c) The Postmaster General may pay such additional compensation as he may determine to be fair and reasonable in each individual case to rural carriers serving heavily patronized routes.'

"(c) The first sentence of section 3543(f) of title 39, United States Code, is amended to read as follows: 'In addition to the compensation provided in the Rural Carrier Schedule, each rural carrier shall be paid for equipment maintenance a sum equal to—

"'(1) 12 cents per mile for each mile or major fraction of a mile scheduled, or

"'(2) $4.20 per day, whichever is greater.'

"(d) Section 3543 of title 39, United States Code, is amended by adding thereto new subsections (i) and (j) as follows:

"'(i) Each person serving as a substitute of record on the effective date of this subsection shall be placed in step 2 of the Rural Carrier Schedule and he shall be advanced by step-increases, on the basis of time on the rolls prior to the effective date, in accordance with the schedule of step-increases provided in section 3552, except that no such person shall be so advanced to a step higher than the step to which a regular carrier with the same length of service would have advanced prior to such effective date. Thereafter, he shall be advanced by step-increases, pursuant to the provisions of sections 3552 and 3553 of this title. On and after the effective date of this subsection, each substitute rural carrier shall be paid the daily rate, based on the step attained by him, for the route on which service is performed.

"'(j) Each temporary rural carrier who, on the effective date of this subsection, is serving on a vacant route pending the appointment of a regular rural carrier shall be placed in step 2 and shall be advanced by step-increases on the basis of any prior substitute or temporary rural carrier service in accordance with the schedule of step-increases provided in section 3552.'

"Fourth Class Office Schedules

"SEC. 704. (a) Section 3544(a) of title 39, United States Code, is amended to read as follows:

"'(a) There are established basic compensation schedules which shall be known as the Fourth Class Office Schedules, and for which the symbol shall be "FOS", for postmasters in post offices of the fourth class. Each such schedule shall be in effect for the period specified with respect to such schedule. Each such schedule is based upon the gross postal receipts as contained in returns of the post office for the calendar year immediately preceding. Basic compensation shall be paid to postmasters in post offices of the fourth class in accordance with these schedules.

"'FOURTH CLASS OFFICE SCHEDULE I

"'(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act and ending immediately prior to the applicable initial effective date of the second FOS schedule set forth below)

"'Gross receipts	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
$1,300 to $1,499.99	$3,277	$3,386	$3,495	$3,604	$3,713	$3,822	$3,931	$4,040	$4,149	$4,258	$4,367	$4,476
$900 to $1,299.99	3,003	3,102	3,201	3,300	3,399	3,498	3,597	3,696	3,795	3,894	3,993	4,092
$600 to $899.99	2,457	2,540	2,623	2,706	2,789	2,872	2,955	3,038	3,121	3,204	3,287	3,370
$350 to $599.99	1,911	1,973	2,035	2,097	2,159	2,221	2,283	2,345	2,407	2,469	2,531	2,593
$250 to $349.99	1,366	1,410	1,454	1,498	1,542	1,586	1,630	1,674	1,718	1,762	1,806	1,850
$200 to $249.99	1,092	1,128	1,164	1,200	1,236	1,272	1,308	1,344	1,380	1,416	1,452	1,488
$100 to $199.99	820	846	872	898	924	950	976	1,002	1,028	1,054	1,080	1,106
Under $100	545	562	579	596	613	630	647	664	681	698	715	732

"'FOURTH CLASS SCHEDULE II

"'(To be effective on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

"'Gross receipts	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
$1,300 to $1,499.99	$3,426	$3,540	$3,654	$3,768	$3,882	$3,996	$4,110	$4,224	$4,338	$4,452	$4,566	$4,680
$900 to $1,299.99	3,140	3,243	3,346	3,449	3,552	3,655	3,758	3,861	3,964	4,067	4,170	4,273
$600 to $899.99	2,569	2,655	2,741	2,827	2,913	2,999	3,085	3,171	3,257	3,343	3,429	3,515
$350 to $599.99	1,998	2,063	2,128	2,193	2,258	2,323	2,388	2,453	2,518	2,583	2,648	2,713
$250 to $349.99	1,428	1,474	1,520	1,566	1,612	1,658	1,704	1,750	1,796	1,842	1,888	1,934
$200 to $249.99	1,142	1,179	1,216	1,253	1,290	1,327	1,364	1,401	1,438	1,475	1,512	1,549
$100 to $199.99	857	884	911	938	965	992	1,019	1,046	1,073	1,111	1,127	1,154
Under $100	569	588	607	626	645	664	683	702	721	740	759	778'.

"(b) Section 3544(b) of title 39, United States Code, is amended to read as follows:

"'(b) The basic salary of postmasters in fourth-class post offices shall be readjusted for changes in gross receipts at the start of the first pay period after the beginning of each fiscal year. When a post office is restored to a gross receipts category held by it prior to relegation to a lower gross receipts category, the postmaster's basic salary may be adjusted to the highest salary step held by him when the post office was in the higher gross receipts category. In all other cases, in adjusting a postmaster's basic salary under this section, the basic salary shall be fixed at the lowest step which is higher than the basic salary received by the postmaster at the end of the preceding fiscal year. If there is no such step the basic salary shall be fixed at the highest step for the adjusted gross receipts of the office. Each increase in basic salary because of change in gross receipts shall be deemed the equivalent of a step-increase under section 3552 of this title and the waiting period, for purposes of advancement to the next step, shall begin on the date of adjustment.'

"SEC. 705. Section 3552 of title 39, United States Code, is amended to read as follows:

"'§ 3552. Automatic advancement by step increases

"'(a)(1) Each employee in levels 1 through 6 of the Postal Field Service Schedule, each employee subject to the Rural Carrier Schedule, and each employee subject to the Fourth Class Office Schedule, who has not reached the highest step for his position, shall be advanced successively to the next higher step as follows:

"'(A) To steps 2, 3, 4, 5, 6, and 7—at the beginning of the first pay period following the completion of fifty-two calendar weeks of satisfactory service; and

"'(B) To steps 8 and above—at the beginning of the first pay period following the completion of one hundred and fifty-six calendar weeks of satisfactory service.

"'(2) Each employee in the postal field service in level 7 or above of the Postal Field Service Schedule, who has not reached the highest step for his position, shall be advanced successively to the next higher step, as follows:

"'(A) To steps 2, 3, and 4—at the beginning of the first pay period following the completion of fifty-two calendar weeks of satisfactory service;

"'(B) To steps 5, 6, and 7—at the beginning of the first pay period following the completion of one hundred and four calendar weeks of satisfactory service; and

"'(C) To steps 8 and above—at the beginning of the first pay period following the completion of one hundred and fifty-six calendar weeks of satisfactory service.

"'(3) The receipt of an equivalent increase during any of the waiting periods specified in this subsection shall cause a new full waiting period to commence for further step-increases.

"'(b) Any increase in basic compensation granted by law on or after the date of enactment of the Postal Employees Salary Adjustment Act of 1962, to employees in the postal field service shall not be deemed to be an equivalent increase in basic compensation within the meaning of subsection (a) of this section.

"'(c) The benefit of successive step-increases shall be preserved, under regulations prescribed by the Postmaster General, for employees whose continuous service is interrupted by service in the armed services.'

"SEC. 706. Section 3554 of title 39, United States Code, is amended to read as follows:

"'§ 3554. Compensation of certain temporary employees

"'Temporary employees hired for a continuous period of one year or less for a position in the postal field service shall be paid basic compensation at the entrance step of the position to which they are appointed.'.

"SEC. 707. Section 3559 of title 39, United States Code, is amended to read as follows:

"'§ 3559. Promotions

"'An employee who is promoted to a position in the Postal Field Service Schedule which is not more than two salary levels above the salary level of the position from which promoted shall be paid basic compensation at the lowest step of the higher salary level which exceeds his existing basic compensation by not less than two steps of the salary level from which promoted. An employee who is promoted to a position in the Postal Field Service Schedule which is more than two salary levels above the level of the position from which promoted shall be paid basic compensation at the lowest step of the higher salary level which exceeds his existing basic compensation by not less than three steps of the salary level from which promoted. If there is no step in the salary level to which the employee is promoted which exceeds his existing basic compensation by at least the amount of the specified difference, the employee shall be paid the rate for the maximum step of the salary level to which promoted, or his existing basic compensation, whichever is higher.'

"SEC. 708. Subsection (a)(4) of section 6402 of title 39, United States Code, is amended to read as follows:

"'(4) delivery and collection service may not be established or extended under a star route contract on a rural route except when such rural route does not meet the minimum standards established by the Postmaster General, and becomes vacant; and'.

"SEC. 709. Section 3101 of title 39, United States Code, is amended by deleting paragraphs (5) and (6), and inserting in lieu thereof, the following:

"'(5) "basic salary" and "basic compensation" mean the rate of annual or hourly compensation specified by law, exclusive of overtime and night differential.'.

"SEC. 710. Subsection 3541(d) of title 39, United States Code, is amended by (a) inserting in paragraph (3) thereof, after 'rural carriers,' the phrase '(other than substitute rural carriers),' and (b) adding a new paragraph (5) as follows:

"'(5) To compute the daily rate of basic compensation for substitute rural carriers, the annual rate of compensation shall be divided by 304.'.

"Conversion as of the first pay period beginning on or after the date of enactment of this act

"SEC. 711. (a) The basic compensation of each employee subject to Postal Field Service Schedule I or Rural Carrier Schedule I, as the case may be, on the effective date of such schedule shall be determined as follows:

"(1) Each employee shall be assigned to the same numerical level and step he was in prior to the effective date of such schedule, except that employees in the first four levels of the Postal Field Service Schedule and employees (except employees subject to section 3543(j) of title 39, United States Code) in the Rural Carrier Schedule shall be advanced as follows: Employees in step 1 to step 2 of the new schedule; step 2 to step 3; step 3 to step 4; step 4 to step 5; step 5 to step 6; step 6 to step 7, step 7 to step 8. If changes in level or step would otherwise occur on the effective date of such schedule without regard to the enactment of such schedule, such changes shall be deemed to have occurred prior to conversion under this paragraph.

"(2) In addition to conversion under paragraph (1) of this subsection, each employee shall be advanced one additional step for each longevity step which he had earned on or prior to such conversion.

"(3) Credit toward the next step-increase (other than toward longevity steps) earned by an employee who had not reached step 7 or who is not advanced to step 7 under paragraph (1) prior to the effective date of such schedule shall be creditable under subsection 3552(a) and section 3553 of title 39, United States Code, toward further step-increases if no step-increases were granted pursuant to paragraph (2) of this subsection. Credit earned toward longevity step-increases prior to the effective date of such schedule shall not be creditable toward further step-increases pursuant to subsection 3552(a), and section 3553 of title 39, United States Code.

"(b) The basic compensation of each postmaster subject to the Fourth Class Office Schedule I on the effective date of such schedule shall be determined as follows:

"(1) Each postmaster shall be assigned to the same receipts category and numerical step he was in prior to the effective date of such schedule. If changes in receipts category or step would otherwise occur on the effective date of such schedule without regard to the enactment of such schedule, such changes in receipts category or step shall be deemed to have occurred prior to conversion.

"(2) Postmasters who, as of the effective date of this schedule, have not reached step 7, shall retain credit for advancement to the next step under section 3552(a) and section 3553 of title 39, United States Code, if no step-increases are granted pursuant to paragraph 3 of this subsection. Credit earned toward longevity step-increases prior to the effective date of such schedule shall not be creditable toward further step-increases under section 3552(a) and section 3553 of title 39, United States Code.

"(3) For each longevity step earned on or prior to the effective date of such schedule postmasters shall be advanced one step.

"(c) If the existing basic compensation of any employee subject to the Postal Field Service Schedule, Rural Carrier Schedule, or Fourth Class Office Schedule, as the case may be, is greater than the rate established by subsection (a) or (b) of this section, he shall be placed in the first step of such schedule which exceeds his existing basic compensation; if the existing basic compensation is greater than any numerical step, his existing basic compensation shall be established as his basic compensation.

"Conversion as of the first pay period beginning on or after January 1, 1964

"SEC. 712. The basic compensation of each employee subject to the Postal Field Service Schedule II, Rural Carrier Schedule II, or Fourth Class Office Schedule II, as the case may be, on the effective date of such schedule shall be determined as follows:

"(1) Each employee shall be assigned to the same numerical step for his position which he had attained prior to the effective date of such schedule. If changes in levels, receipts categories, or steps would otherwise occur on the effective date of such schedule without regard to enactment of such schedule, such changes shall be deemed to have occurred prior to conversion.

"(2) If existing basic compensation is greater than the rate to which the employee is converted under paragraph (1) of this section, the employee shall be placed in the lowest step which exceeds his basic compensation; if the existing basic compensation exceeds the maximum step of his position, his existing basic compensation shall be established as his basic compensation.

"SEC. 713. Subject to sections 711(c) and 712(2) of this title, rates of compensation fixed by reason of section 3560 of title 39, United States Code, shall not be increased by this title, notwithstanding any provision of such section to the contrary.

"Basic salary in cases of assignments of postal employees

"SEC. 714. (a) Section 3335(b) of title 39, United States Code, is amended by adding at the end thereof the following sentence: 'The Postmaster General may pay, as he deems advisable, in cases of such assignments, a basic salary computed in accordance with the provisions of such section 3559 without regard to the requirement in this subsection of assignment for more than thirty days in a calendar year.'.

"(b) Each payment of an increase in basic salary which was made prior to the date of enactment of this section for services performed for periods of thirty days or less in any calendar year in the course of an assignment referred to in section 3335(b) of title 39, United States Code, by a postal field service employee assigned to duties and responsibilities of a higher salary level, and which would have been authorized by such section 3335(b), if such services had been performed in the course of such assignment after the completion by such employee of thirty days of service in any calendar year in such higher salary level, are hereby validated to the same extent as if such services had been performed after the completion of thirty days of service in any calendar year in the course of such assignment. Payments of increases validated by this subsection shall be considered as basic salary for the purposes of the Civil Service Retirement Act (5 U.S.C. 2251–2267).

"Salary protection revision

"SEC. 715. (a) Section 3560(a)(1) of title 39, United States Code, is amended to read as follows:

"'(1) basic salary and salary level, with respect to the Postal Field Service Schedule,'.

"(b) Section 3560(b)(4) of title 39, United States Code, is amended to read as follows:

"'(4) who, for two continuous years immediately prior to such reduction in salary standing, served in the postal field service with any salary standing higher than the salary standing to which he is reduced; and'.

"(c) Section 3560(c) of title 39, United States Code, is amended—

"(1) by striking out the period at the end of paragraph (B) and inserting '; or' in lieu of such period, and

"(2) by adding at the end of such section 3560(c) the following paragraph:

"'(C) the amount of the rate in the lowest salary standing which such employee held during the two years immediately preceding such reduction in salary standing augmented by each step increase which he would have earned in such salary standing and by each increase provided by law in such salary rate.'.

"(d)(1) Subject to paragraph (2) of this section, the amendments made by this section to sections 3560(a)(1), 3560(b)(4), and 3560(c) of title 39, United States Code, shall apply only with respect to reductions in salary standing occurring on or after the date of enactment of this Act.

"(2) Payments not authorized by section 3560 of title 39, United States Code, which were made prior to the date ef enactment of this Act to employees in the postal field service in connection with reductions in salary standing and which would have been authorized under such section 3560 if the amendments made by this section to subsections (b)(4) and (c) of such section 3560 had been in effect at the time such payments were made, are hereby validated to the same extent as if such amendments had been in effect at such time.

"Rules for special compensation

"SEC. 716. Chapter 41 of title 39, United States Code, is amended by adding immediately following section 3105 a new section 3106 as follows:

"'§ 3106. Special compensation rules

"'In order that the basic compensation schedules in sections 3542, 3543, and 3544 of this title may be used equitably and with maximum effect to attract and motivate employees, the Postmaster General may prescribe regulations pursuant to which he may, within the limit of available appropriations, grant to any officer or employee before the expiration of the periods prescribed by section 3552, step-increases in recognition of extra competence: *Provided*, That no officer or employee shall be eligible under this section for more than one such additional step-increase within any period of fifty-two weeks, and such increase shall not be considered to be an equivalent increase.'

"Personnel requirements

"SEC. 717. (a) Section 3301 of title 39, United States Code, is amended to read as follows:

"'§ 3301. Personnel requirements

"'The Postmaster General shall determine the personnel requirements of the postal field service, and fix the number of supervisors and other employees in that service, except that there may not be at any one time more than one assistant postmaster employed at any post office or a total of 70 employees assigned to salary levels 18, 19, and 20 in the postal field service.'

"(b) Section 1310(a) of the Act of November 1, 1951 (65 Stat. 757), as amended, which fixes a ceiling on permanent employees in the Federal Government, is amended by inserting after the word '*Provided,*' the following: 'That increases in the number of permanent personnel in the Postal Field Service not exceeding 10 per centum above the total number of its permanent employees on September 1, 1950, shall not be chargeable to this limitation: *And provided further,*'.

"Conforming amendment

"SEC. 718. (a) The table of contents of chapter 41 of title 39, United States Code, is amended by adding after the heading entitled 'EMPLOYEES GENERALLY', the following:

"'3106. Special compensation rules'.

"(b) The table of contents of chapter 45 of title 39, United States Code, is amended by deleting '3558. Longevity step-increases'.

"Repeals

"SEC. 719. Sections 101 through 105 of the Act of July 1, 1960 (74 Stat. 296, Public Law 86–568), and section 3558 of title 39, United States Code, are repealed.

"Effective dates

"SEC. 720. Except as otherwise expressly provided in this title, the provisions of this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act, except that section 712 (conversion rules for second postal field service salary increases) shall become effective on the first day of the first pay period which begins on or after January 1, 1964.

"Title IV—Department of Medicine and Surgery in the Veterans' Administration

"SEC. 801. (a) Section 4103 of title 38 of the United States Code, relating to the appointment and annual salaries of the Chief Medical Director and certain other officers of the Department of Medicine and Surgery of the Veterans' Administration, is amended by striking out the words 'not to exceed eight Assistant Chief Medical Directors' in subsection (a) and inserting in lieu thereof the words 'not to exceed five Assistant Chief Medical Directors, such Medical Directors as may be designated to suit the needs of the Department,'.

"(b) Such section is further amended by striking out subsections (d) to (i), inclusive, and inserting in lieu thereof the following:

"'(d) Each Assistant Chief Medical Director shall be appointed by the Administrator upon the recommendation of the Chief Medical Director and shall be paid a salary of $20,000 a year.

"'One Assistant Chief Medical Director shall be a qualified doctor of dental surgery or dental medicine who shall be directly responsible to the Chief Medical Director for the operations of the Dental Service.

"'(e) Medical Directors, during their period of service as such, shall be paid a salary of $18,500 minimum to $19,500 maximum a year.

"'(f) The Director of Nursing Service shall be a qualified registered nurse, appointed by the Administrator, and shall be responsible to the Chief Medical Director for the operation of the Nursing Service. During the period of service as such, the Director of Nursing Service shall be paid, effective on the first day of the first pay period beginning on or after—

"'The date of enactment of the Federal Salary Reform Act of 1962, a salary of $14,565 minimum to $17,925 maximum a year;

"'January 1, 1964, a salary of $15,665 minimum to $19,270 maximum a year.

"'(g) The Administrator may appoint a chief pharmacist and a chief dietitian. During the period of his service as such, the chief pharmacist and the chief dietitian shall be paid, effective on the first day of the first pay period beginning on or after—

"'the date of enactment of the Federal Salary Reform Act of 1962, a salary of $14,565 minimum to $17,925 maximum a year;

"'January 1, 1964, a salary of $15,665 minimum to $19,270 maximum a year.

"'(h) Except as provided in subsection (j), any appointment under this section shall be for a period of four years but persons so appointed shall be subject to removal by the Administrator for cause.

"'(i) Reappointments may be made for successive like periods.

"'(j) The Administrator may designate a member of the Chaplain Service of the Veterans' Administration as Director, Chaplain Service, for a period of two years, subject to removal by the Administrator for cause. During the period that any such member serves as Director, Chaplain Service, he shall be paid a salary, as determined by the Administrator, within the minimum and maximum salary limitations prescribed for grade GS–15 positions by the Classification Act of 1949, as amended. Redesignations under this subsection may be made for successive like periods. An individual designated as Director, Chaplain Service, shall at the end of his period of service as Director revert to the position, grade, and status which he held immediately prior to being designated Director, Chaplain Service, and all service as Director, Chaplain Service, shall be creditable as service in the former position.'

"Physicians, dentists, and nurses

"SEC. 802. Section 4107 of such title 38 relating to the minimum and maximum rates of annual salary of certain physicians, dentists, and nurses of the Department of Medicine and Surgery of the Veterans' Administration is amended to read as follows:

"'§ 4107. Grades and pay scales

"'(a)(1) Effective on the first day of the first pay period on or after the date of enactment of the Federal Salary Reform Act of 1962, the grades and per annum full-pay ranges for positions provided in paragraph (1) of section 4104 of this title shall be as follows:

"'Physician and dentist schedule

"'Director grade, $16,000 minimum to $19,000 maximum.

"'Executive grade, $15,250 minimum to $18,750 maximum.

"'Chief grade, $14,565 minimum to $18,405 maximum.

"'Senior grade, $12,845 minimum to $16,245 maximum.

"'Intermediate grade, $11,150 minimum to $14,070 maximum.

"'Full grade, $9,475 minimum to $11,995 maximum.

"'Associate grade, $8,045 minimum to $10,165 maximum.

"'Nurse schedule

"'Assistant Director grade, $12,845 minimum to $16,245 maximum.

"'Chief grade, $11,150 minimum to $14,070 maximum.

"'Senior grade, $9,475 minimum to $11,995 maximum.

"'Intermediate grade, $8,045 minimum to $10,165 maximum.

"'Full grade, $6,675 minimum to $8,700 maximum.

"'Associate grade, $5,820 minimum to $7,575 maximum.

"'Junior grade, $5,035 minimum to $6,565 maximum.

"'(2) Effective on the first day of the first pay period beginning on or after January 1, 1964, the per annum full pay ranges for positions provided in paragraph (1) of section 4104 of this title shall be as follows:

"'Physician and dentist schedule

"'Chief grade, $15,665 minimum to $19,785 maximum.

"'Senior grade, $13,615 minimum to $17,215 maximum.

"'Intermediate grade, $11,725 minimum to $14,805 maximum.

"'Full grade, $9,980 minimum to $12,620 maximum.

"'Associate grade, $8,410 minimum to $10,650 maximum.

"'Nurse schedule

"'Assistant director grade, $13,615 minimum to $17,215 maximum.

"'Chief grade, $11,725 minimum to $14,805 maximum.

"'Senior grade, $9,980 minimum to $12,620 maximum.

"'Intermediate grade, $8,410 minimum to $10,650 maximum.

"'Full grade, $7,030 minimum to $9,100 maximum.

"'Associate grade, $6,090 minimum to $7,890 maximum.

"'Junior grade, $5,235 minimum to $6,810 maximum.

"'(b) No person may hold the director grade unless he is serving as a director of a hospital, domiciliary, center, or outpatient clinic (independent). No person may hold the executive grade unless he holds the position of chief of staff at a hospital, center, or outpatient clinic (independent), or the position of clinic director at an outpatient clinic, or comparable position.'

"SEC. 803. (a) Section 4108 of such title 38 which formerly prescribed the maximum amount of pay and allowances for medical, surgical, or dental specialists of the Department of Medicine and Surgery of the Veterans' Administration is amended, effective on the date of enactment of this Act, to read as follows:

"'§ 4108. Administration.

"'Nothwithstanding any law, Executive order, or regulation, the Administrator shall prescribe by regulation the hours and conditions of employment and leaves of absence of physicians, dentists, and nurses.'.

"(b) The table of contents of chapter 73 of such title 38 is amended by striking out

"'4108. Specialist ratings.'

and inserting in lieu thereof.

"'4108. Administration.'

"Directors of hospitals, domiciliaries, and centers

"SEC. 804. Section 4111(b) of such title 38, relating to the annual salary of certain individuals serving as director of a hospital, domiciliary, or center, is amended, effective

on the date of enactment of this Act, to read as follows:

"'(b) Notwithstanding any other provision of law, the per annum salary rate of each individual serving as a director of a hospital, domiciliary, or center who is not a physician in the medical service shall not be less than the rate of salary which he would receive under section 4107 of this title if his service as a director of a hospital, domiciliary, or center had been service as a physician in the director grade. This subsection shall not affect the allocation of any position of director of a hospital, domiciliary, or center to any grade of the General Schedule of the Classification Act of 1949, except with respect to changes in rate of salary pursuant to the preceding sentence, and shall not affect the applicability of the Performance Rating Act of 1950 to any individual.'

"SEC. 805. Except as otherwise expressly provided in this title, this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

"Title V—Foreign Service Act of 1946

"Short title

"SEC. 901. This title may be cited as the 'Foreign Service Salary Reform Act of 1962'.

"Foreign Service officers

"SEC. 902. The fourth sentence of section 412 of the Foreign Service Act of 1946, as amended (22 U.S.C. 867), is amended to read as follows:

"'On the first day of the first pay period which begins on or after the date of enactment of the Foreign Service Salary Reform Act of 1962, the per annum salaries of Foreign Service officers within each of the other classes shall be as follows:

"'Class 1	$18,975	$19,650					
Class 2	15,900	16,400	$16,900	$17,400	$17,900	$18,400	$18,900
Class 3	13,440	13,885	14,330	14,775	15,220	15,665	16,110
Class 4	11,150	11,515	11,880	12,245	12,610	12,975	13,340
Class 5	9,315	9,620	9,925	10,230	10,535	10,840	11,145
Class 6	7,705	7,960	8,215	8,470	8,725	8,980	9,235
Class 7	6,475	6,690	6,905	7,120	7,335	7,550	7,765
Class 8	5,540	5,725	5,910	6,095	6,280	6,465	6,650

"'On the first day of the first pay period which begins on or after January 1, 1964, the per annum salaries of Foreign Service officers within each of the other classes shall be as follows:

"'Class 1	$18,975	$19,650					
Class 2	15,900	16,400	$16,900	$17,400	$17,900	$18,400	$18,900
Class 3	14,265	14,735	15,205	15,675	16,145	16,615	17,085
Class 4	11,725	12,110	12,495	12,880	13,265	13,650	14,035
Class 5	9,695	10,015	10,335	10,655	10,975	11,295	11,615
Class 6	8,090	8,355	8,620	8,885	9,150	9,415	9,680
Class 7	6,810	7,035	7,260	7,485	7,710	7,935	8,160
Class 8	5,795	5,990	6,185	6,380	6,575	6,770	6,965'

"Foreign service staff officers and employees

"SEC. 903. Section 415 of such Act is amended to read as follows:

"'SEC. 415. (a) Effective on the first day of the first pay period which begins on or after the date of enactment of the Foreign Service Salary Reform Act of 1962, there shall be ten classes of Foreign Service staff officers and employees, referred to hereafter as staff officers and employees, and the per annum salaries of staff officers and employees within each class shall be as follows:

"'Class 1	$13,440	$13,885	$14,330	$14,775	$15,220	$15,665	$16,110	$16,555	$17,000	
Class 2	11,150	11,515	11,880	12,245	12,610	12,975	13,340	13,705	14,070	
Class 3	9,315	9,620	9,925	10,230	10,535	10,840	11,145	11,450	11,755	
Class 4	7,705	7,960	8,215	8,470	8,725	8,980	9,235	9,490	9,745	
Class 5	6,910	7,140	7,370	7,600	7,830	8,060	8,290	8,520	8,750	$8,980
Class 6	6,225	6,435	6,645	6,855	7,065	7,275	7,485	7,695	7,905	8,115
Class 7	5,610	5,800	5,990	6,180	6,370	6,560	6,750	6,940	7,130	7,320
Class 8	5,060	5,230	5,400	5,570	5,740	5,910	6,080	6,250	6,420	6,590
Class 9	4,575	4,725	4,875	5,025	5,175	5,325	5,475	5,625	5,775	5,930
Class 10	4,110	4,250	4,390	4,530	4,670	4,825	4,980	5,135	5,290	5,445

"'On the first day of the first pay period which begins on or after January 1, 1964, the per annum salaries of staff officers and employees within each class shall be as follows:

"'Class 1	$14,265	$14,735	$15,205	$15,675	$16,145	$16,615	$17,085	$17,555	$18,025	
Class 2	11,725	12,110	12,495	12,880	13,265	13,650	14,035	14,420	14,805	
Class 3	9,695	10,015	10,335	10,655	10,975	11,295	11,615	11,935	12,255	
Class 4	8,090	8,355	8,620	8,885	9,150	9,415	9,680	9,945	10,210	
Class 5	7,295	7,535	7,775	8,015	8,255	8,495	8,735	8,975	9,215	$9,455
Class 6	6,570	6,785	7,000	7,215	7,430	7,645	7,860	8,075	8,290	8,505
Class 7	5,890	6,085	6,280	6,475	6,670	6,865	7,060	7,255	7,450	7,645
Class 8	5,270	5,445	5,620	5,795	5,970	6,145	6,320	6,495	6,670	6,845
Class 9	4,715	4,870	5,025	5,180	5,335	5,490	5,645	5,800	5,955	6,110
Class 10	4,215	4,355	4,495	4,635	4,775	4,915	5,060	5,215	5,370	5,525

"'(b) Notwithstanding the provisions of subsection (a) of this section, the Secretary may, under such regulations as he may prescribe, classify positions at levels below class 10, and establish salary rates therefor at lower rates than those prescribed by this section, for American employees recruited abroad who are not available or are not qualified for transfer to another post and who perform duties of a more routine nature than are generally performed at the class 10 level.'

"Conversion

"SEC. 904. Foreign Service officers, Reserve officers, and Foreign Service staff officers and employees who are entitled to receive basic compensation immediately prior to the effective date of this title at one of the rates provided by section 412 or 415 of the Foreign Service Act of 1946, shall receive basic compensation on and after the effective date of this title at the rate of their class determined to be appropriate by the Secretary of State: *Provided,* That staff officers and employees shall be transferred to the new staff classes established by this Act as follows:

"Present class under section 415 of the Foreign Service Act of 1946	Corresponding new class under section 415 of the Foreign Service Act of 1946, as amended
FSS– 1	FSS– 1
FSS– 2	FSS– 1
FSS– 3	FSS– 2
FSS– 4	FSS– 2
FSS– 5	FSS– 3
FSS– 6	FSS– 3
FSS– 7	FSS– 4
FSS– 8	FSS– 5
FSS– 9	FSS– 6
FSS–10	FSS– 7
FSS–11	FSS– 8
FSS–12	FSS– 9
FSS–13	FSS–10
FSS–14 and below	(1)

"[1] Remain at present class and salary rate until revised pursuant to new section 415(b).

"Conforming amendments

"SEC. 905. The heading of section 642 of the Foreign Service Act of 1946 is amended by deleting the words 'and longevity' and section 642 is amended by deleting '(a)' in the first paragraph and by deleting subsection (b) in its entirety.

"Effective date

"SEC. 906. Except as otherwise expressly provided in this title, this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

"Title VI—Miscellaneous salary provisions

"Revision of salary limitations for certain scientific and professional positions

"SEC. 1001. (a)(1) Section 2(b) of the Act of August 1, 1947 (Public Law 313, Eightieth Congress, as amended (75 Stat. 789; 5 U.S.C. 1161–1163)), relating to the rates of compensation of certain scientific or professional positions, is amended to read as follows:

"'(b) The per annum rates of compensation for positions established pursuant to the provisions of this Act shall not be less than the minimum rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act and shall be subject to the approval of the United States Civil Service Commission.'.

"(2) The first section of such Act is amended by adding at the end thereof the following new subsection:

"'(g) the Librarian of Congress is authorized to establish and fix the compensation for not more than eight scientific or professional positions in the Library of Congress, each such position being established to carry out research and development functions of the Library which require the services of specially qualified personnel. Section 2(a) shall not apply to positions established under this subsection.'

"(b) Section 1581(b) of title 10 of the United States Code, relating to the rates of compensation of certain scientific or professional positions in the Department of Defense, is amended to read as follows:

"'(b) Subject to the Civil Service Commission's approval as to rates, the Secretary may fix the compensation for positions established under subsection (a). However, the per annum compensation may not be less than the minimum rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act.'.

"(c) Section 4 of the Act of May 29, 1959 (73 Stat. 63; Public Law 86–36), as amended by section 204 of the Act of October 4, 1961 (75 Stat. 791; Public Law 87–367), author-

izing scientific and professional positions in the National Security Agency, is amended by striking out ', as amended by paragraph (34)(B) of the first section of the Act of September 2, 1958 (72 Stat. 1456; Public Law 85–861)'.

"(d) The proviso contained in the first sentence of section 208(g) of the Public Health Service Act, as amended (42 U.S.C. 210(g)), relating to the rates of compensation of certain scientific, professional, and administrative personnel in the Public Health Service, is amended to read as follows: ': *Provided*, That the rates of compensation for positions established pursuant to the provisions of this subsection shall not be less than the minimum rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act, and shall be subject to the approval of the Civil Service Commission.'.

"(e) The proviso contained in the second sentence of section 12 of the Act of May 29, 1884 (62 Stat. 198 as amended and supplemented; 21 U.S.C. 113a), authorizing the Secretary of Agriculture to employ and fix the compensation of technical experts and scientists for research and study of foot-and-mouth disease and other animal diseases, is amended to read as follows: ': *Provided*, That the number so employed shall not exceed five and that the maximum compensation for each shall not exceed the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended.'.

"(f) Section 203(b)(2) of the National Aeronautics and Space Act of 1958 (72 Stat. 429; 42 U.S.C. 2473(b)(2)), as amended, authorizing the Administrator of the National Aeronautics and Space Administration to establish and fix the compensation of four hundred and twenty-five scientific, engineering, and administrative positions, is amended by striking out, in the second sentence, ', except that (A) to the extent the Administrator deems such action necessary to the discharge of his responsibilities, he may appoint and fix the compensation (up to a limit of $19,000 a year, or up to a limit of $21,000 a year for a maximum of thirty positions) of' and by inserting in lieu thereof ', except that (A) to the extent the Administrator deems such action necessary to the discharge of his responsibilities, he may appoint and fix the compensation (at not to exceed the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended, or, for a maximum of thirty positions, not to exceed $21,000 a year) of'.

"(g) That part of the proviso in section 161d. of the Atomic Energy Act of 1954, as amended (71 Stat. 613; 42 U.S.C. 2201), fixing a limit of $19,000 on the compensation of scientific and technical personnel, is amended by striking out the words 'up to a limit of $19,000)' and inserting in lieu thereof 'up to a limit of the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended)'.

"(h) Section 302(f) of the Federal Aviation Act of 1958 (72 Stat. 746; 49 U.S.C. 1343 (d)), as amended, authorizing the Administrator of the Federal Aviation Agency to select, employ, and fix the compensation of 23 positions at rates not to exceed $19,500 per annum, is amended by striking out '$19,500 per annum' and inserting in lieu thereof 'the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended'.

"(i) Section 2 of the Act of June 14, 1948, as amended (62 Stat. 441; 66 Stat. 43; 22 U.S.C. 290a), relating to the compensation of the United States representative and alternate on the Executive Board of the World Health Organization, is amended by striking out 'Such representative shall be entitled to receive compensation at a rate not to exceed $12,000 per annum and any such alternate shall be entitled to receive compensation at a rate not to exceed $10,000 per annum', and inserting in lieu thereof 'Such representative and any such alternate shall each be entitled to receive compensation at one of the rates provided by section 412 of the Foreign Service Act of 1946, as amended,'.

"(j) Section 104(b) of the Mutual Educational and Cultural Exchange Act of 1961 (75 Stat. 530; Public Law 87–256) authorizing the fixing of the compensation of not to exceed ten employees without regard to the Classification Act of 1949, is amended to read as follows:

"'(b) The President is authorized to employ such other personnel as he deems necessary to carry out the provisions and purposes of this Act, and of such personnel not to exceed ten may be compensated without regard to the provisions of the Classification Act of 1949, as amended, but not in excess of the highest rate of grade 18 of the general schedule established by such Act. Such positions shall be in addition to the number authorized by section 505 of the Classification Act of 1949, as amended.'

"(k)(1) Section 625(b) of the Foreign Assistance Act of 1961 (75 Stat. 449; Public Law 87–195), as amended, is amended by striking out 'and of these, not to exceed eight may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year' and inserting in lieu thereof 'but not in excess of the highest rate of grade 18 of such general schedule'.

"(2) Section 625(c) of such Act is amended by striking out 'and of these, not to exceed three may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year' and inserting in lieu thereof 'but not in excess of the highest rate of grade 18 of such general schedule'.

"(l) Section 7(b) of the Peace Corps Act (75 Stat. 615; Public Law 87–293) is amended by striking out 'and of these not to exceed two may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year' and inserting in lieu thereof 'but not in excess of the highest rate of grade 18 of such general schedule'.

"Agricultural stabilization and conservation county committee employees

"SEC. 1002. The rates of compensation of persons employed by the county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) shall be increased by amounts equal, as nearly as may be practicable, to the increases provided by title II of this part for corresponding rates of compensation in the appropriate schedule or scale of pay.

"Assistant United States attorneys

"SEC. 1003. (a) The last paragraph of section 508 of title 28 of the United States Code is amended to read as follows:

"'Assistant United States attorneys and attorneys appointed under section 503 of this title—not more than $17,500.'

"(b) The rates of basic compensation of assistant United States attorneys whose basic salaries are fixed by section 508 of title 28, United States Code, shall be increased by 7½ per centum effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

"Employees in the judicial branch

"SEC. 1004. (a) The rates of basic compensation of officers and employees in or under the judicial branch of the Government whose rates of compensation are fixed by or pursuant to paragraph (2) of subdivision a of section 62 of the Bankruptcy Act (11 U.S.C. 102(a)(2)), section 3656 of title 18 of the United States Code, the third sentence of section 603, section 604(a)(5), or section 672 to 675, inclusive, of title 28 of the United States Code, or section 107(a)(6) of the Act of July 31, 1956, as amended (5 U.S.C. 2206 (a)(6)), are hereby increased by two amounts, the first amount to be effective for the period beginning as of the first day of the first pay period which begins on or after the date of enactment of this Act, and ending immediately prior to the first day of the first pay period which begins on or after January 1, 1964, and the second amount to be effective on the first day of the first pay period which begins on or after January 1, 1964, and thereafter, which reflect the respective applicable increases provided by title II of this part in corresponding rates of compensation for officers and employees subject to the Classification Act of 1949, as amended.

"(b) The limitations provided by applicable law on the effective date of this section with respect to the aggregate salaries payable to secretaries and law clerks of circuit and district judges are hereby increased by two amounts, the first amount to be effective for the period beginning as of the first day of the first pay period which begins on or after the date of enactment of this Act, and ending immediately prior to the first day of the first pay period which begins on or after January 1, 1964, and the second amount to be effective on the first day of the first pay period which begins on or after January 1, 1964, and thereafter, which reflect the respective applicable increases provided by title II of this part in corresponding rates of compensation for officers and employees subject to the Classification Act of 1949, as amended.

"(c) Section 753(e) of title 28 of the United States Code (relating to the compensation of court reporters for district courts) is amended by striking out the existing salary limitation contained therein and inserting a new limitation to be effective for the period beginning as of the first day of the first pay period which begins on or after the date of enactment of this Act, and ending immediately prior to the first day of the first pay period which begins on or after January 1, 1964, and a second new limitation effective on the first day of the first pay period which begins on or after January 1, 1964, and thereafter, which reflect the respective applicable increases provided by title II of this part in corresponding rates of compensation for officers and employees subject to the Classification Act of 1949, as amended.

"Employees in the legislative branch

"SEC. 1005. (a) Each officer and employee in or under the legislative branch of the Government whose rate of compensation is increased by section 5 of the Federal Employees Pay Act of 1946 shall be paid additional compensation at the rate of 7 per centum of his gross rate of compensation (basic compensation plus additional compensation authorized by law).

"(b) The basic compensation of each employee in the office of a Senator is hereby adjusted, effective on October 16, 1962, to the lowest multiple of $60 which will provide a gross rate of compensation not less than the gross rate such employee was receiving immediately prior thereto, except that the foregoing provisions of this subsection shall not apply in the case of any employee if on or before the fifteenth day following the date of enactment of this Act the Senator by whom such employee is employed notifies the disbursing office of the Senate in writing that he does not wish such provisions to apply to such employee. In any case in which, at the expiration of the time within which a Senator may give notice under this subsection, such Senator is deceased such notice shall be deemed to have been given.

"(c) Notwithstanding the provision referred to in subsection (d), the rates of gross

compensation of the elected officers of the Senate (except the Presiding Officer of the Senate), the Legislative Counsel of the Senate, the Official Reporters of Debates of the Senate, the Parliamentarian of the Senate, the Senior Counsel in the Office of the Legislative Counsel of the Senate, and the Chief Clerk of the Senate are hereby increased by 7 per centum.

"(d) The paragraph imposing limitations on basic and gross compensation of officers and employees of the Senate appearing under the heading 'SENATE' in the Legislative Appropriation Act, 1956, as amended (74 Stat. 304; Public Law 86–568), is amended to read as follows:

" 'No officer or employee whose compensation is disbursed by the Secretary of the Senate shall be paid basic compensation at a rate in excess of $8,880 per annum, or gross compensation at a rate in excess of $18,880 per annum, unless expressly authorized by law.'

"(e) The limitation on gross rate per hour per person provided by applicable law on the effective date of this section with respect to the folding of speeches and pamphlets for the Senate is hereby increased by 7 per centum. The amount of such increase shall be computed to the nearest cent, counting one-half cent and over as a whole cent. The provisions of subsection (a) of this section shall not apply to employees whose compensation is subject to such limitation.

"(f) Each officer or employee of the House of Representatives, whose compensation is disbursed by the Clerk of the House of Representatives and is not increased automatically, or is not permitted to be increased administratively, by reason of any other provision of this section, shall receive additional compensation at the rate of 7 per centum of the rate of his total annual compensation in effect immediately prior to the effective date of this section.

"(g) The limitations on gross rate per thousand and gross rate per hour per person provided by applicable law on the effective date of this section with respect to the folding of speeches and pamphlets for the House of Representatives are hereby increased by 7 per centum. The amount of each such increase shall be computed to the nearest cent, counting one-half cent and over as a whole cent.

"(h) The additional compensation provided by this section shall be considered a part of basic compensation for the purposes of the Civil Service Retirement Act (5 U.S.C. 2251 and the following).

"(i) Notwithstanding any other provision of this section, no rate of compensation which exceeds $21,500 shall be increased by this section, and no increase provided by this section shall cause the gross rate of compensation (basic plus additional compensation authorized by law) or the total annual compensation of any officer or employee to exceed $21,500.

"(j) Insofar as the provisions of this section apply to officers and employees whose compensation is based on a monthly pay period which begins on the first day of the month, such provisions shall become effective on October 16, 1962.

"Saving provision

"SEC. 1006. Notwithstanding any provision of this Act, no rate of basic, gross, or total annual compensation or salary shall be reduced by reason of the enactment of this Act.

"Absorption of costs

"SEC. 1007. (a) The departments, agencies, establishments, and corporations in the executive branch shall absorb the costs of the increases in basic compensation provided by this Act to the fullest extent possible without seriously affecting the immediate execution of essential functions.

"(b) No request for additional or supplemental appropriations to meet the increases in basic compensation provided by this Act shall be transmitted to the Congress unless it is accompanied by a certication of the Director of the Bureau of the Budget that the amounts requested are necessary to provide for the continued execution of essential functions of the department, agency, or corporation concerned.

"(c) Pursuant to the objective of this section, heads of the executive branch activities concerned are directed to review with meticulous care each vacancy resulting from voluntary resignation, retirement, or death and to determine whether the duties of the position can be reassigned to other employees or whether the position can be abolished without seriously affecting the execution of essential functions.

"(d) Nothing contained in subsection (a) of this section shall be held or considered to require (1) the separation from the service of any individual by reduction in force or other personnel action or (2) the placing of any individual in a leave-without-pay status.

"Effective date

"SEC. 1008. Except as otherwise expressly provided, this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

"Ceiling provision

"SEC. 1009. Except as provided in section 1005, no rate of compensation which exceeds $20,000 per annum shall be increased or established by or pursuant to this Act and no increase made by or pursuant to this Act shall cause any rate of compensation to exceed $20,000 per annum.

"PART III—ADJUSTMENT OF ANNUITIES

"SEC. 1101. (a) The annuity of each person who, on the effective date of this section, is receiving or entitled to receive an annuity from the civil service retirement and disability fund shall be increased by 5 per centum of the amount of such annuity.

"(b) The annuity of each person who receives or is entitled to receive an annuity from the civil service retirement and disability fund commencing during the period which begins on the day following the effective date of this section and ends five years after such date, shall be increased in accordance with the following table:

"If the annuity commences between—	The annuity shall be increased by—
January 2, 1963, and December 31, 1963	4 per centum
January 1, 1964, and December 31, 1964	3 per centum
January 1, 1965, and December 31, 1965	2 per centum
January 1, 1966, and December 31, 1966	1 per centum

"(c) In lieu of any other increase provided by this section, the annuity of a survivor of a retired employee or Member of Congress who received an increase under this section shall be increased by a percentage equal to the percentage by which the annuity of such employee or Member was so increased.

"(d) No increase provided by this section shall be computed on any additional annuity purchased at retirement by voluntary contributions.

"(e) The limitation reading 'or (3) the sum necessary to increase such annuity, exclusive of annuity purchased by voluntary contributions under the second paragraph of section 10 of this Act, to $2,160' contained in section 8(c)(1) of the Civil Service Retirement Act of May 29, 1930, as amended by the Acts of July 16, 1952 (66 Stat. 722; Public Law 555, Eighty-second Congress), and August 31, 1954 (68 Stat. 1043; Public Law 747, Eighty-third Congress), shall not be effective on or after the effective date of this section.

"(f) The limitation contained in the next to the last sentence of section 8(d)(1) of the Civil Service Retirement Act of May 29, 1930, as amended, as enacted by the Act of August 11, 1955 (69 Stat. 692; Public Law 369, Eighty-fourth Congress), shall not be effective on and after the effective date of this section.

"(g) The increases provided by this section shall take effect on the effective date of this section, except that any increase under subsection (b) or (c) shall take effect on the beginning date of the annuity.

"(h) The monthly installment of annuity after adjustment under this section shall be fixed at the nearest dollar.

"SEC. 1102. (a) Section 1 of the Civil Service Retirement Act is amended by adding at the end thereof the following new subsection:

" '(t) The term "price index"' shall mean the annual average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics.'

"(b) Such Act is further amended by redesignating section 18 as 19, and by inserting after section 17 the following new section:

" 'Cost-of-living adjustment of annuities

" 'SEC. 18. (a) After January 1, 1964, and after each succeeding January 1, the Commission shall determine the per centum change in the price index from the later of 1962 or the year preceding the most recent cost-of-living adjustment to the latest complete year. On the basis of such Commission determination, the following adjustments shall be made:

" '(1) Effective April 1, 1964, if the change in the price index from 1962 to 1963 shall have equaled a rise of at least 3 per centum, each annuity payable from the fund which has a commencing date earlier than January 2, 1963, shall be increased by the per centum rise in the price index adjusted to the nearest one-tenth of 1 per centum.

" '(2) Effective April 1 of any year other than 1964 after the price index change shall have equaled a rise of at least 3 per centum, each annuity payable from the fund which has a commencing date earlier than January 2 of the preceding year shall be increased by the per centum rise in the price index adjusted to the nearest one-tenth of 1 per centum.

" '(b) Eligibility for an annuity increase under this section shall be governed by the commencing date of each annuity payable from the fund as of the effective date of an increase, except as follows:

" '(1) Effective from the date of the first increase under this section, an annuity payable from the fund to an annuitant's survivor (other than a child entitled under section 10(d)), which annuity commenced the day after the annuitant's death, shall be increased as provided in subsection (a)(1) or (a)(2) if the commencing date of annuity to the annuitant was earlier than January 2 of the year preceding the first increase.

" '(2) Effective from its commencing date, an annuity payable from the fund to an annuitant's survivor (other than a child entitled under section 10(d)), which annuity commences the day after the annuitant's death and after the effective date of the first increase under this section, shall be increased by the total per centum increase the annuitant was receiving under this section at death.

" '(3) For purposes of computing an annuity which commences after the effective date of the first increase under this section to a child under section 10(d), the items $600, $720, $1,800, and $2,160 appearing in section 10(d) shall be increased by the total per centum increase allowed and in force under

this section, and, in case of a deceased annuitant, the items 40 per centum and 50 per centum appearing in section 10(d) shall be increased by the total per centum increase allowed and in force under this section to the annuitant at death. Effective from the date of the first increase under this section, the provisions of this paragraph shall apply as if such first increase were in effect with respect to computation of a child's annuity under section 10(d) which commenced between January 2 of the year preceding the first increase and the effective date of the first increase.

"'(c) No increase in annuity provided by this section shall be computed on any additional annuity purchased at retirement by voluntary contributions.

"'(d) The monthly installment of annuity after adjustment under this section shall be fixed at the nearest dollar.'

"SEC. 1103. (a) Section 9(g) of the Civil Service Retirement Act is amended to read as follows:

"'(g) The annuity as hereinbefore provided (excluding any increase because of retirement under section 7) for any married employee or Member retiring under this Act, or any portion of such annuity designated in writing for purposes of section 10(a)(1), shall be reduced by 2½ per centum of so much thereof as does not exceed $3,600 and by 10 per centum of so much thereof as exceeds $3,600, unless the employee or Member notifies the Commission in writing at the time of retirement that he does not desire his wife or husband to receive an annuity as provided in section 10(a)(1).'

"(b) Section 10(a)(1) of such Act is amended to read as follows:

"'(1) If an employee or Member dies after having retired under any provision of this Act and is survived by a wife or husband to whom the employee or Member was married at the time of retirement, such wife or husband shall be paid an annuity equal to 55 per centum of an annuity computed as provided in subsections (a), (b), (c), (d), (e), and (f) of section 9, as may apply with respect to the annuitant, or of such portion thereof as may have been designated in writing for such purpose by the employee or Member at the time of retirement, unless the employee or Member has notified the Commission in writing at the time of retirement that he does not desire his wife or husband to receive such annuity.'

"(c) Section 10(b) of such Act is amended by striking out '50 per centum' and inserting in lieu thereof '55 per centum'.

"(d) Section 10(c) of such Act is amended by striking out '50 per centum' and inserting in lieu thereof '55 per centum'.

"(e) Section 10(e) of such Act is amended by striking out '50 per centum' and inserting in lieu thereof '55 per centum'.

"(f)(A) Section 1(j) of the Civil Service Retirement Act is amended by substituting a comma for the period at the end thereof and adding the following: 'or such unmarried child between eighteen and twenty-one years of age who is a student regularly pursuing a full-time course of study or training in residence in a high school, trade school, technical or vocational institute, junior college, college, university, or comparable recognized educational institution. A child whose twenty-first birthday occurs prior to July 1 or after August 31 of any calendar year, and while he is regularly pursuing such a course of study or training, shall be deemed for the purposes of this paragraph and section 10(d) to have attained the age of twenty-one on the first day of July following such birthday. A child who is a student shall not be deemed to have ceased to be a student during any interim between school years if the interim does not exceed four months and if he shows to the satisfaction of the Commission that he has a bona fide intention of continuing to pursue a course of study or training in the same or different school during the school semester (or other period into which the school year is divided) immediately following the interim.'

"(B) The third sentence of section 10(d) of the Act is amended to read as follows: 'The child's annuity shall commence on the day after the employee or Member dies, and such annuity granted under this Act or under the Act of May 29, 1930, as amended from and after February 28, 1948, or any right thereto shall terminate on the last day of the month before (1) his attaining age eighteen unless incapable of self-support, (2) his becoming capable of self-support after age eighteen, (3) his marriage, or (4) his death, except that the annuity of a child who is a student as described in section 1(j) shall terminate on the last day of the month before (1) his marriage, (2) his death, (3) his ceasing to be such a student, or (4) his attaining age twenty-one.'

"SEC. 1104. Notwithstanding any other provision of law, the benefits made payable under the Civil Service Retirement Act by reason of the enactment of this part shall be paid from the civil service retirement and disability fund.

"SEC. 1105. Section 1101 of this part shall take effect on January 1, 1963. The amendments made by section 1103 (except subsection (b)) shall not apply in the case of employees or Members retired or otherwise separated prior to the date of enactment of this Act, and the rights of such persons and their survivors shall continue in the same manner and to the same extent as if these amendments had not been enacted."

And the Senate agree to the same.

TOM MURRAY,
JAMES H. MORRISON,
ROBERT J. CORBETT,
Managers on the Part of the House.

OLIN D. JOHNSTON,
MIKE MONRONEY,
FRANK CARLSON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7927) entitled "An act to adjust postal rates, and for other purposes," submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The committee of conference recommends that the House recede from its disagreement to the amendment of the Senate with an amendment which is a substitute for both the text of the House bill and the text provided by the Senate amendment and that the Senate agree to the same.

The text of the House bill related only to postal rates.

The Senate amendment to the House text consisted of three parts.

Part I of the Senate amendment, consisting of three titles, related to postal rates. Title I of part I covered postal rate increases. Title II of part I contained amendments to the postal policy provisions of the postal laws. Title III of part I contained certain miscellaneous amendments to the postal laws.

Part II of the Senate amendment, consisting of six titles, related to Federal salary reform. Title I of part II contained a statement of policy with respect to Federal salary reform. Title II of part II contained provisions revising the pay system of the Classification Act of 1949, as amended. Title III of part II revised the compensation schedules of title 39, United States Code, and contained certain related provisions, with respect to postal field service employees. Title IV of part II of the Senate amendment contained salary increases for physicians, dentists, and nurses, and other personnel of the Department of Medicine and Surgery of the Veterans' Administration. Title V of part II revised the salary rates for personnel in the Foreign Service under the Department of State prescribed by the Foreign Service Act of 1946, as amended. Title VI of part II contains certain miscellaneous salary provisions which, in effect, revise the compensation rates for the following groups of employees: (1) certain scientific and professional employees; (2) agricultural stabilization and conservation county committee employees; (3) assistant U.S. attorneys; (4) employees in the judicial branch; (5) employees in the legislative branch.

Part III of the Senate amendment contained provisions making adjustments in annuities under the Civil Service Retirement Act, as amended.

The conference substitute, with the exceptions to be noted, is in general the same as the Senate amendment. Except for technical and minor drafting changes, the differences between the text of the House bill and the conference substitute are discussed below.

A summary of the major provisions of the conference substitute follow.

SUMMARY OF MAJOR PROVISIONS OF CONFERENCE SUBSTITUTE

Increased postal revenue

Postal revenue will be increased by $600.3 million per annum when all of the postal rate adjustments provided by part I of the conference substitute are placed in effect. Such increased revenue and the public service policy provisions of the conference substitute will—when adjustment in rates and conditions of mailability of fourth-class mail for which the Postmaster General has petitioned the Interstate Commerce Commission (as required by law) shall be approved—eliminate the postal deficit.

Such increased postal revenue provided by part I of the conference substitute is approximately $20 million less than the aggregate annual increased postal revenue of $620 million which would have been provided by the postal rate adjustment bill recommended to the House of Representatives by the Postmaster General and presented for consideration by the chairman of the House Committee on Post Office and Civil Service on January 23, 1962.

A table comparing present and proposed postal rates follows:

Comparison of present and proposed postal rates (new revenues based on 1963 volume)

Mail class	Postage rate unit	Present rate	First year (1963)		Second year (1964)		Third year (1965)	
			Rate	New revenues	Rate	New revenues	Rate	New revenues
				Millions		*Millions*		*Millions*
First class:								
Letters	Per ounce	4 cents	5 cents	$409.6	5 cents	$409.6	5 cents	$409.6
Drop letters	do	3 cents	4 cents	1.8	4 cents	1.8	4 cents	1.8
Cards	Per card	3 cents	4 cents	26.4	4 cents	26.4	4 cents	26.4
Total				437.8		437.8		437.8
Airmail:								
Letters	Per ounce	7 cents	8 cents	16.0	8 cents	16.0	8 cents	16.0
Cards	Per card	5 cents	6 cents	.3	6 cents	.3	6 cents	.3
Parcel post	Per pound	By zones [1]	(1) (2)	4.9	(1) (2)	4.9	(1) (2)	4.9
Total				21.2		21.2		21.2
Second class:								
In-county:								
Free mail	Per pound	Free	1 cent (lb.)	.9	1 cent (lb.)	.9	1¼ cents (lb.)	1.5
Pound-rate matter	do	1 cent	⅛ cent (min.)		⅛ cent (min.)		⅛ cent (min.)	
	Minimum per copy	⅛ cent						
Per-copy-rate matter	Per copy	1 cent or 2 cents.	Present rates	.3	Present rates	.3	Present rates	.3
Outside county:								
Regular publications:					3 annual 4 percent increases			
Editorial	Per pound	2½ cents	2.6 cents (lb.)		2.7 cents (lb.)		2.8 cents (lb.)	
Advertising:					3 annual 10 percent increases (adjusted)			
Zones 1 and 2	do	3 cents	3.4 cents (lb.)		3.8 cents (lb.)		4.2 cents (lb.)	
Zone 3	do	4 cents	4.4		4.8		5.2	
Zone 4	do	6 cents	6.4	6.4	6.8	14.2	7.2	22.6
Zone 5	do	8 cents	8.4		8.8		9.2	
Zone 6	do	10 cents	10.4		10.8		11.2	
Zone 7	do	12 cents	12.0		12.0		12.0	
Zone 8	do	14 cents	14.0		14.0		14.0	
	Minimum per copy	½ cent	0.6 cent (min.) [4]		0.8 cent (min.) [4]		1 cent (min.) [4]	
Nonprofit publications	Per pound	1½ cents	1.6 cents (lb.)	.3	1.7 cents (lb.)	.6	1.8 cents (lb.)	.9
	Minimum per copy	⅛ cent	⅛ cent (min.)		⅛ cent (min.)		⅛ cent (min.)	
Classroom publications:								
Editorial	Per pound	1½ cents	60 percent of regular rates					
Advertising:								
Zones 1 and 2	do	1½ cents						
Zone 3	do	2 cents						
Zone 4	do	3 cents		.3		.6		1.0
Zone 5	do	4 cents						
Zone 6	do	5 cents						
Zone 7	do	6 cents						
Zone 8	do	7 cents						
	Minimum per copy	⅛ cent						
Transient rate	First 2 ounces	2 cents	4 cents	1.1	4 cents	1.1	4 cents	1.1
	Each additional ounce	1 cent	1 cent		1 cent		1 cent	
Fees:								
Original entry—circulation under 2,000		$25	$30		$30		$30	
Original entry—circulation 2,000–5,000		$50	$60		$60		$60	
Original entry—circulation over 5,000		$100	$120	.03	$120	.03	$120	.03
Reentry		$10	$10		$10		$10	
Additional entry		$10	$15 (zones 3–8, $50)		$15 (zones 3–8, $50)		$15 (zones 3–8, $50)	
News agent registry		$20	$25		$25		$25	
Total				9.3		17.7		27.4
Controlled circulation	Per pound	12 cents	12½ cents	.3	13 cents	.6	13½ cents	1.0
	Minimum per piece	1 cent	1 cent		1 cent		1 cent	
Total				.3		.6		1.0
Third class:								
Single piece	1st 2 ounces	3 cents	4 cents	34.5	4 cents	34.5	4 cents	34.5
	Each additional ounce	1½ cents	2 cents	10.3	2 cents	10.3	2 cents	10.3
Bulk rate:								
Regular:								
Circulars, etc	Per pound	16 cents	18 cents	3.1	18 cents	3.1	18 cents	3.1
	Minimum per piece	2½ cents	2⅝ cents	13.2	2⅝ cents	26.3	2⅞ cents	39.5
Books, catalogs, etc	Per pound	10 cents	12 cents	3.9	12 cents	3.9	12 cents	3.9
	Minimum per piece	2½ cents	2⅝ cents	.5	2⅝ cents	1.0	2⅞ cents	1.5
Nonprofit:								
Circulars, etc	Per pound	16 cents	9 cents		9 cents		9 cents	
	Minimum per piece	1¼ cents	1¼ cents	−1.7	1¼ cents	−1.7	1¼ cents	−1.7
Books, catalogs, etc	Per pound	10 cents	6 cents		6 cents		6 cents	
	Minimum per piece	1¼ cents	1¼ cents		1¼ cents		1¼ cents	
Bulk mailing fee	Calendar year	$20	$30	2.6	$30	2.6	$30	2.6
Total				66.4		80.0		93.7
Fourth class:								
Educational materials	1st pound	9 cents	9½ cents	.5	10 cents	1.0	10 cents	1.0
	Each additional pound	5 cents	5 cents		5 cents		5 cents	
Library materials	1st pound	4 cents	Present rates		Present rates		Present rates	
	Each additional pound	1 cent						
Total				.5		1.0		1.0
Keys, etc	Each 2 ounces	5 cents	6 cents	.1	6 cents	.1	6 cents	.1
Federal Government mail	Applicable class rates			20.5		21.0		21.0
Permit fees for mailing without stamps		$10	$15	.2	$15	.2	$15	.2
Mail mix adjustment				−3.0		−3.0		−3.0
Total new postal revenues, all classes				553.2		576.5		600.3
Estimated public service allowances				[3] 375.0		[3] 574.0		[3] 373.0

[1] Air parcel post law requires payment of not less than 1st-class rates for 1st class sent by air.

[2] Present parcel post schedule plus 8 cents per piece. First-class matter above 8 ounces, 64 cents for 1st 8 ounces plus 5 cents for each additional ounce or the published parcel post rate if higher.

[3] Consists of total loss on free and reduced rate mail, additional public service on in-county mail, and the amount deemed attributable to 3d- and 4th-class post offices and rural and star routes.

[4] When number of copies mailed for delivery outside the county is fewer than 5,000, the minimum per copy is ½ cent.

On magazines containing less than 5 percent advertising the minimum charge per copy is 0.55 of a cent during 1963, 0.65 of a cent during 1964, and 0.75 of a cent thereafter.

Salary increases

Part II of the conference substitute places in effect major provisions of the Federal statutory salary reform proposal submitted to the Congress by the President earlier in the current session. The essential requirements of comparability of Federal and private enterprise salary rates, internal alinement of Federal salary schedules, and annual review and adjustment of salaries recommended by the President are provided by part II of the conference substitute. The chief differences between such part of the conference substitute and the President's recommendations are (1) salary adjustments under the conference substitute are in two phases, spaced 15 months apart, instead of three annual phases as recommended by the President, and (2) the three highest grades of the Classification Act of 1949 and the three highest levels of the postal field service schedule receive only one upward adjustment, leaving the final determination of the appropriate salaries for such grades and levels for consideration in the next Congress.

The conference substitute also provides comparable salary adjustments for employees in the judicial branch, agricultural stabilization and conservation county committee employees, congressional employees, and employees whose rates of compensation are fixed by administrative action. This is in conformity with the policy adopted by the Congress in all recent salary increase legislation.

The conference substitute provides salary increases which, when all are in effect, will average 11.2 percent for postal field service employees and 9.6 percent for classified employees and certain others.

Cost of salary increases

The annual cost of the salary reform provisions of the conference substitute will be $1.049 billion beginning with the calendar year 1964, when the salary adjustments provided for therein become fully effective. The salary reform legislation recommended by the President would have cost $1.054 billion a year beginning in the calendar year 1965. The annual cost of Federal civilian salary reform provisions contained in H.R. 9531, as reported favorably by the House Committee on Post Office and Civil Service but not acted upon by the House, would have been $1.469 billion beginning with the calendar year 1964—a difference of $420 million savings under the conference substitute.

Civil service retirement annuities

Part III of the conference substitute—

1. Provides a 5-percent increase, effective January 1, 1963, in all annuities then payable from the civil service retirement fund which commenced on or before that date.

2. Applies the increase on a graduated reduction basis to all annuities which commence in the 4-year period following January 1, 1963, in keeping with the practice followed in the last previous enactment of this kind.

3. Provides that the proper proportion of the increase granted an annuitant will accrue to his survivors.

4. Excludes from the increase annuity amounts purchased by voluntary contributions.

5. Removes the ceilings on increases imposed by certain previous enactments.

6. Provides for future adjustments in the event the calendar year average of the monthly Consumer Price Index of the Bureau of Labor Statistics increases not less than 3 percent.

7. Raises from $2,400 to $3,600 the portion of annuity to which the reduction of 2½ percent applies when electing survivorship benefits.

8. Increases the ratio of survivorship benefits from 50 to 55 percent.

9. Reverses present procedure by providing that in the future survivorship benefits will be automatic unless an adverse election is made.

10. Extends the right of survivorship benefits for children to the end of any school year in which a child attains the age of 21 years so long as the child pursues full-time studies in a school, college, university, or comparable recognized educational institution. This change is in keeping with provisions of veterans' benefit laws.

DIFFERENCES BETWEEN THE TEXT OF THE HOUSE BILL AND THE CONFERENCE SUBSTITUTE

PART I—POSTAL SERVICE

Postal rates

Both the House bill and part I of the conference substitute provide increases in postal rates and certain changes in the public service features of postal policy under chapter 27 of title 39, United States Code.

First-class mail

Section 3 of the House bill and section 101 of the conference substitute both provide for increases in the rate on first-class letter mail from 4 to 5 cents for each ounce or fraction of an ounce, in the rate on drop letters from 3 to 4 cents for each ounce or fraction of an ounce, and in the rate on each post card and each postal card from 3 to 4 cents.

Airmail

The amendments made by section 4 of the House bill increase the postage rates on airmail letters from 7 cents to 8 cents for each ounce or fraction thereof and on airmail postal and post cards from 5 cents to 6 cents. The existing requirement of minimum first-class ounce rates for air parcel post first-class matter is retained, but the existing minimum rate of 3 cents an ounce on such matter is eliminated.

Section 102 of the conference substitute increases the postage rate on airmail letters from 7 to 8 cents for each ounce or fraction thereof, and on airmail postal and post cards from 5 to 6 cents.

In keeping with the increase of 8 cents on airmail weighing 8 ounces, the first pound rate for air parcel post (other than first-class matter) is increased 8 cents. Air parcel post rates for first-class matter will be the regular 8-cent-an-ounce rate for each of the first 8 ounces, and the regular first-class letter rate of 5 cents an ounce for each ounce or fraction thereof over 8 ounces, but in no case less than the air parcel post rate for other matter.

Second-class mail within county of publication

Section 5 of the House bill removes the requirement, in connection with free-in-county mail, that publications must be printed in the county in which published.

Section 103 of the conference substitute eliminates free-in-county mailings, and extends to all such within-county mailings for calendar years 1963 and 1964 the existing 1 cent per pound and one-eighth cent minimum charge now applicable to certain categories of within-county mailings. At the start of calendar year 1965, the pound rate would be increased to 1¼ cents. The minimum charge per piece would remain at one-eighth cent. Existing per-copy rates applicable to publications issued less frequently or more frequently than once a week when mailed for delivery by letter carrier at the office of mailing are left unchanged.

Second-class mail beyond county of publication

Section 6 of the House bill imposes a piece rate charge of one-half cent effective July 1, 1962, and a piece rate charge of 1 cent effective July 1, 1963, to be paid in addition to existing pound rates.

Section 104(a) of the conference substitute increases second-class pound rates and the minimum charge per piece of publications for delivery outside the county of publication except that the current minimum charge of one-half cent per copy is not changed in the case of publications mailing less than 5,000 copies per issue outside the county of publication. The increase in pound rates on the nonadvertising portion is in three annual increments of 4 percent each year. The increase in pound rates on the nonadvertising portion is in three annual increments of 4 percent each year. The increase in pound rates on the advertising portion is in three annual increments of 0.4 cent each. The schedule provides increases after 3 years of 40 percent in zones 1 and 2; 30 percent in zone 3; 20 percent in zone 4; 15 percent in zone 5; and 12 percent in zone 6. The existing rates of 12 cents and 14 cents in zones 7 and 8, respectively, are not changed.

Any issue of a publication the advertising portion of which does not exceed 5 per centum of the entire issue will pay 0.55 of a cent per piece when mailed after January 6, 1963, and prior to January 1, 1964, 0.65 of a cent per piece when mailed during calendar year 1964, and 0.75 of a cent per piece when mailed after December 31, 1964.

Subsection (a) except as noted above also increases the minimum charge on the above publications in annual increments over a 3-year period from one-half cent to six-tenths of a cent, eight-tenths of a cent, and 1 cent, respectively.

Subsection (a) also fixes the postage rate on classroom publications at 60 percent of the regular rate. The rate applicable to the total content of publications of qualified nonprofit organizations (advertising and nonadvertising portions alike) is maintained at 1 cent per pound less than the pound rate applicable to the nonadvertising portion of regular publications. This produces a rate for these publications of less than 50 percent of the pound rates described above and the minimum per piece rate is retained at the present one-eighth of 1 cent.

Subsection (b) of section 104 extends the nonprofit rate to publications of official State highway agencies which meet all requirements for second-class entry and which contain no advertising. However, only one such publication in any State could be mailed at this rate. Also, the nonprofit rate is extended to associations of rural electric cooperatives.

Subsection (c) repeals existing law to the extent necessary to give effect to the changes in rates discussed above.

Second-class transient mail

Section 105 of the conference substitute increases the postage rate on the first 2 ounces of transient mail from 2 to 4 cents.

The House bill has no comparable provision relating to transient mail.

Controlled circulation publications

Section 8 of the House bill increases the rate to be paid by controlled circulation publications from 12 cents a pound to 14 cents a pound.

Section 106 of the conference substitute increases the pound rate on controlled circulation publications from 12 to 12½ cents the first year, to 13 cents the second year, and to 13½ cents thereafter.

Third-class mail

Section 9 of the House bill provides increases in rates for third-class mail as follows:

1. The piece rate on single mailings is increased from 3 cents on the first 2 ounces or fraction thereof to 4 cents.

2. The pound rate on all matter mailed in bulk (except books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants) is increased from 16 to 21 cents. The pound rate on books and catalogs of 24 pages or more, seeds, cuttings, bulbs,

roots, scions, and plants is increased from 10 to 18 cents except in the case of mailings by qualified nonprofit organizations which remains at 10 cents. The minimum rate per piece for other than qualified nonprofit organizations is increased from 2½ cents to 3½ cents.

3. The minimum rate on pieces of odd size is increased from 3½ cents to 4½ cents.

Section 107 of the conference substitute provides increases as follows in rates for third-class mail.

1. The piece rate on single mailings is increased from 3 cents on the first 2 ounces or fraction thereof and 1½ cents on each additional ounce or fraction thereof to 4 and 2 cents, respectively.

2. The pound rate on all matter mailed in bulk (except books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants) is increased from 16 to 18 cents. The pound rate on books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants is increased from 10 to 12 cents. The minimum rate per piece in either instance is increased in three annual increments—first to 2⅝ cents, a year later to 2¾ cents, and a year following that to 2⅞ cents.

Section 107 continues in effect the present minimum per piece charge on bulk third-class mailings by qualified nonprofit organizations and provides that the pound rates for such mailings shall be 50 per centum of the regular pound rates for bulk third-class mailings as embodied in the conference agreement.

In addition to the foregoing, this section raises the fee for a third-class bulk mailing permit from $20 to $30 and increases the minimum weight requirement from 20 to 50 pounds. This should have been adjusted in 1958 when the weight for third-class mail was increased from 8 to 16 ounces. One of the requirements for the bulk third-class pound rates is that such mail be in quantities of 20 pounds or of not less than 200 pieces. When the weight limit was 8 ounces a minimum of 40 such pieces was necessary, but when the weight limit was raised to 16 ounces only 20 such pieces was necessary to comply with the minimum weight limit. This is entirely too small a number of pieces to justify the bulk pound rate. Thus, in the future, to obtain the bulk third-class rate, it will be necessary to mail a minimum of 50 pounds or 200 pieces.

Fourth-class mail

Section 108 of the conference substitute restores to the States of Alaska and Hawaii the benefits of certain provisions relating to the maximum size and weight of fourth-class parcels mailed at or for delivery at first-class post offices which they enjoyed prior to their admission as States. Under these provisions, such parcels could be as large as 100 inches in length and girth combined and could weigh as much as 70 pounds. These are the maximums which are already applicable generally to parcels mailed at or for delivery at second-, third-, and fourth-class post offices or rural and star routes, and to parcels mailed at or for delivery at Army, Air Force, or Fleet Post Offices. The conditions which led to the original extension of these maximums to Alaska and Hawaii while in territorial status have not been altered by statehood and those maximums should be restored.

Section 109.—This section provides an increase in fourth-class postage rates on books, films, and similar educational materials from 9 cents for the first pound to 9½ cents during the first year and to 10 cents thereafter. The existing rate of 5 cents on each additional percent will continue without change.

The postage rates on fourth-class library materials would remain at 4 cents on the first pound and 1 cent for each additional pound.

The House bill contained no provisions comparable to section 108 or 109 of the conference substitute.

Fees for second-class entry and registration

The House bill made no change in fees for second-class mail.

Section 110 of the conference substitute provides increases as follows in second-class mailing fees:

	Existing fee	Proposed fee
Circulation:		
Not over 2,000	$25	$30
2,000 to 5,000	50	60
Over 5,000	100	120
Reentry	10	15
Additional entry	10	[1] 15 / [2] 50
News agent	20	25

[1] Zones 1 and 2.
[2] Zones 3 to 8.

Permit fees for mailing without stamps

Section 111 of the conference substitute increases from $10 to $15 the permit fee for mailing without stamps.

The House bill contains no provisions on this matter.

Fixing of fees by Postmaster General

Section 112 of the conference substitute gives the Postmaster General the authority to adjust second-class entry and registration fees and permit fees for mailing with printed postage indicia in the future.

The House bill contains no provisions on this matter.

Keys and other small articles

Section 113 of the conference substitute increases from 5 cents for each 2 ounces to 6 cents for each 2 ounces the postage rate on keys and other small articles mailed without the prepayment of postage. The House bill contains no such provisions.

Method of determining gross receipts

Section 11 of the House bill and section 114 of the conference substitute both provide that increased revenues derived from the rate increases shall be excluded in determining compensation and allowances of postmasters and other employees and classes of post offices.

This is similar to the provision contained in the 1958 Postal Increase Act.

Qualifications of postmasters

Section 115 of the conference substitute requires the Civil Service Commission, in evaluating the qualifications of applicants for positions of postmaster, to give appropriate consideration to experience in the postal field service.

The House bill contains no provisions on this matter.

TITLE II—POSTAL POLICY

Section 2 of the House bill revises and strengthens the statement of congressional policy with respect to postal rates and fees originally enacted as the Postal Policy Act of 1958 and now contained in chapter 27 of title 39, United States Code.

Subsection (a) clarifies and strengthens the language of such policy with respect to the determination of postal expenses attributable to the performance of public service by the Postal Establishment.

Subsection (b) makes several important changes in the existing provisions of law with respect to identification of public services rendered by the Postal Establishment and the determination of the costs of such public services which shall be excluded from postal expenses for purposes of fixing postal rates and fees.

The first such change (sec. 2(b) (1) and (2)) provides that "the estimated calculated loss" from operation of third- and fourth-class post offices, star routes, and rural routes shall be held and considered to be an item of public service rendered by the Postal Establishment. Under present law, the "loss" on star routes and third- and fourth-class post offices is designated as an item of public service.

The second such change (sec. 2(b)(3)) supplies a needed clear definition of the terms "loss" and "total loss" as applied to revenues and expenses of the public service items specified in the law—a definition which was not included in the Postal Policy Act of 1958. This definitive language, coupled with the remaining provisions of section 2 of the bill, will provide standards and guidelines which are necessary for the Postmaster General to determine the amount of public service charges to be excluded from postal expenses each year for purposes of considering the need for adjustments in postal rates and fees.

The amendment made by section 2(c) requires the Postmaster General, on or before February 1 of each year beginning with the year 1962, to report to the Congress the amount by which costs of the public service items set forth in the postal policy provisions exceed revenues from such public service items and specifies, further, that the amount so determined and reported shall be excluded from the total cost of postal operations for purposes of adjustment of postal rates and fees. The last sentence of the amendment requires that the amount so determined and reported (and thus excluded from total operating costs for rate and fee purposes) shall be not less than 7½ percent of the total current budget of the Post Office Department.

The amendment made by section 2(d) is a technical amendment which conforms the table of contents of the appropriate chapter of title 39, United States Code, with the amendments made by the remainder of section 2 of the bill.

Section 201 of the conference substitute makes changes necessary to clarify and strengthen the statement of congressional policy with respect to postal rates and fees contained in chapter 27 of title 39, United States Code. Further, certain technical changes are made necessary by the elimination of free-in-county mailing under section 104. This section resolves a problem of long standing by providing a formula for use in determining the amount that shall be considered public service costs in the operation of star and rural routes and third- and fourth-class post offices. The conference substitute provides that 10 percent of the gross cost of the operation of third-class post offices and the star route system, and 20 percent of the gross cost of the operation of fourth-class post offices and rural routes shall be attributable to public service.

TITLE III—MISCELLANEOUS

Eligibility of certain organizations for second-class entry

Section 301 of the conference substitute adds publications of State industrial development agencies and public or nonprofit elementary and secondary schools to the list of those entitled to second-class entry without the necessity of having a bona fide list of regular subscribers.

The House bill contains no provisions on this matter.

Educational materials

Section 10 of the House bill makes certain technical changes in the preferential educational and library material rate listings to reflect the substantive changes made by Public Law 86-644, approved July 14, 1960. The subsection also supplies corrective language to clarify the purpose and intent of that part of section 4554(c) of title 39, United States Code, which extends the preferential library materials rates to scientific or mathematical kits, instruments,

and devices, and catalogs and guides or scripts relating to their use. The existing preferential rates of 9 cents a pound for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof on educational materials and 4 cents a pound for the first pound or fraction thereof and 1 cent a pound for each additional pound or fraction thereof on library materials are retained.

Section 302 of the conference substitute provides corrective language to clarify the purpose and intent of that part of section 4554(c) of title 39 relating to the inclusion of guides, scripts, and catalogs with scientific or mathematical kits, instruments, or devices and sound recordings.

The conference substitute adds looseleaf pages, and binders therefor, consisting of medical information for distribution to doctors, hospitals, medical schools, and medical students to the educational materials category.

Reading matter and other materials for blind persons

Section 303 of the conference substitute revises sections 4653 and 4654 of title 39, United States Code, which relate to the mailing of reading and other materials for the use of blind persons. The changes made in these sections are designed to accomplish the following:

1. Existing law permits the free mailing to blind persons of books with raised type and recordings. This section would add books printed in sightsaving size type to this category. It would also make clear that the term "recordings" includes sound tapes.

2. Under present law public libraries and public institutions for the blind may mail free of postage books being loaned to blind persons. This section extends this privilege to any nonprofit organizations which lends books to the blind.

3. Extends the same free mailing treatment to reading materials mailed to nonprofit organizations for the use of blind persons as when sent directly to the blind persons.

4. Existing law permits magazines furnished to blind persons at cost to be mailed at the rate of 1 cent a pound. This section extends that rate to other reading materials furnished to blind persons at cost. It also makes it applicable where the materials are sent to nonprofit organizations for the use of blind persons.

5. Under present law sound reproduction devices owned by the United States which have been loaned to blind persons may be returned by those persons for repair at a postage rate of 1 cent a pound. The Postmaster General has authority to extend this rate to reproducers owned by States, public libraries, nonprofit agencies, and blind persons themselves. This section would eliminate the 1-cent-a-pound charge and permit free mailing of these devices. It also authorizes the Postmaster General, in his discretion, to extend free mailing privilege to the sending by State agencies, public libraries, private nonprofit agencies for the blind, and blind persons themselves, of paper, records, tapes, and other materials owned by them for use by the recipients for the production of reading matter in raised characters or sight saving size type, or in the form of recordings, for the use of blind persons. The House bill has no similar provision.

Repeals and technical amendments

Section 9(c) of the House bill and section 304 of the conference substitute repeal section 3 of the act of October 30, 1951 (Public Law 86–56). Also, paragraph (3) of the conference substitute repeals the following substantive provisions of law:

(1) Section 4361 of title 39, which authorizes publishers to mail proofs of advertisements at second-class zone rates applicable to advertising portions.

(2) Section 4652 of title 39, which permits public mailing of the CONGRESSIONAL RECORD from the District of Columbia at the rate of 1 cent per copy.

Communist political propaganda

Section 12 of the House-passed bill contains a provision which would amend section 505 of title 39, United States Code (international postal arrangements) for the purpose of excluding Communist political propaganda from the U.S. mails.

This section in the House bill also contains provisions designed to accomplish this purpose with respect to mail originating within the United States as well as mail originating outside the United States. Under these provisions mail matter determined by the Attorney General to be Communist political propaganda which is financed or sponsored by a Communist-controlled government is nonmailable within the United States, except as fourth-class mail.

During extensive hearings on section 12 of H.R. 7927, widely divergent views were expressed as to the need for such a provision and the form any such provision should take. Following extended deliberations in executive session, the committee has agreed upon what it considers to be an appropriate substitute which meets many of the objections expressed during the hearings, and which is designed to provide a workable solution to the problem of Communist political propaganda arriving for distribution in the United States.

Section 305 of the conference substitute consists of a modification of S. 2740, introduced by Senator BUSH on January 25, 1962, which would have had the effect of reinstating the program of screening Communist political propaganda substantially as that program was conducted prior to March 17, 1961.

Section 305 of the conference substitute provides for a program under which, with certain exceptions, Communist political propaganda coming into the United States from foreign countries would be intercepted and would be delivered only upon the request of the addressee within a reasonable time, which shall not exceed 60 days.

Section 305 specifically provides that mail matter, except sealed letters, originating in a foreign country and which is determined by the Secretary of the Treasury to be Communist political propaganda shall be detained by the Postmaster General upon its arrival for delivery in the United States, or upon its subsequent deposit in the U.S. domestic mails, and the addressee shall be notified that such matter has been received. Such detention would not be required in the case of any matter which is otherwise ascertained by the Postmaster General to be desired by the addressee.

Exempted would be matter addressed to Government agencies, to libraries, or to colleges, universities, graduate schools, scientific or professional institutions for advanced studies, or any individual connected therewith. Likewise, material addressed for delivery in the United States pursuant to a reciprocal international agreement under which the U.S. Government mails an equal amount of material for delivery in a Communist country, would be exempted.

In order to furnish guidelines to the Secretary of the Treasury as to what constitutes Communist political propaganda, the entire definition of political propaganda contained in the Foreign Agents Registration Act of 1948 is incorporated by reference and related to matter issued by or on behalf of any country from which tariff concessions have been withdrawn under section 5 of the Trade Agreement Extension Act of 1951 or section 231 of the Trade Expansion Act of 1962, or which is denied assistance under section 620 (f) of the Foreign Assistance Act of 1961, as amended.

Effective date

Section 13 of the House bill provides an effective date of July 1, 1962. Section 306 of the conference substitute provides that, except as otherwise provided, the provisions of Part I—Postal Service shall become effective January 7, 1963.

Obscene matter distributed by mail

The House bill has no provisions on this subject.

Section 307 of the conference substitute authorizes the Postmaster General to detain and dispose of mail containing obscene, lewd, lascivious, or indecent matter.

PART II—FEDERAL SALARY REFORM

Part II of the conference substitute relates to Federal salary reform.

TITLE I—GENERAL POLICY

Title I of part II contains a statement of Federal salary policy.

Section 501 provides that part II may be cited as the "Federal Salary Reform Act of 1962."

Section 502 sets forth the policy of the Congress that pay of Federal civilian personnel shall be established upon the principles of equal pay for substantially equal work with pay distinctions maintained in keeping with work and performance distinctions; and that Federal salaries shall be comparable with salaries in private enterprise for the same levels of work

Section 503, pertaining to the implementation of the above policy, provides that the President shall have prepared and submitted to him an annual report comparing salary rates paid to Federal employees with rates paid for the same levels of work in private industry as determined through annual surveys of the Bureau of Labor Statistics of the Department of Labor. After seeking the views of employee organizations the President shall make an annual report to the Congress containing the comparison of Federal and private enterprise salary rates and such recommendations for revision of statutory salary schedules, salary srtucture, and compensation policy as he deems advisable.

In further implementation of the stated salary policy, section 504 provides that whenever the President or his designee finds that the salary rates in private enterprise for an occupation in any particular location are so substantially above the salary rates of Federal statutory pay schedules as to handicap significantly the Government in recruiting and retaining well qualified persons in positions under the pay systems of the executive branch covered by the conference substitute, the President, or his designee, may establish for such location higher minimum rates of basic compensation. Corresponding increases may be made in all step rates in the salary range for the applicable grade or level; however, the minimum salary rate established under this authority may not exceed the seventh compensation rate prescribed by law for the grade or level involved. The President may authorize the exercise of the authority conferred upon him by this section by the Civil Service Commission or, in the case of employees not subject to the civil service laws and regulations, by such other agency as he may designate.

Section 504 also provides that such rates may be revised from time to time and that such actions or revisions shall have the force and effect of law.

Section 504 further provides that any increase in basic compensation established un-

der this section shall not be regarded as an "equivalent increase" in compensation within the meaning of section 701 (a) of the Classification Act of 1949, or section 3552 of title 39, United States Code.

Policies, rules, and regulations of the President

Section 505 further implements the salary policy by authorizing the President to prescribe policies, rules, and standards in order to carry out the policy and purpose of the conference substitute with respect to the several Federal salary systems covered by the conference substitute and in order to provide adequate supervision and control by the President over the functions, duties, and regulations of the respective authorities in the executive branch in connection with the administration and operation of the four major salary systems and the provisions of this title.

TITLE II—PAY SYSTEM OF THE CLASSIFICATION ACT OF 1949

Title II of part II of the conference substitute pertains to the pay system of the Classification Act of 1949, as amended.

Section 601 provides that title II may be cited as the "Classification Act Amendments of 1962."

Section 602 contains the compensation schedules for the General Schedule of the Classification Act of 1949, as amended, and the salary conversion rules for the two phases of the salary adjustment plan which would become effective on the first day of the first pay period which begins on or after the date of enactment (first phase) and on January 1, 1964 (second phase).

Section 602 (a) prescribes the compensation schedules. The schedule contains 10 regular steps in lieu of 7 scheduled and 3 longevity rates currently provided for GS–1 through GS–10; 9 rates for GS–11 through GS–14 in lieu of 6 scheduled and 3 longevity rates; 8 rates for GS–15 in lieu of 5 scheduled and 3 longevities; and 5 rates for GS–16 and GS–17 in lieu of the 5 rates currently provided by the Classification Act. Grade GS–18 continues to have a single rate. Because the number of regular step rates is increased, the current provisions for longevity step increases in title VII of the Classification Act of 1949 are no longer needed and are repealed in subsequent sections of the conference substitute.

Section 602 (b) specifies the rules adjusting existing pay rates to the rates of the new schedules. Employees generally are to retain the same relative place within the new grade range as they had within their former grade range.

Paragraph (10) of section 602 (b) provides that service immediately preceding the effective date shall be counted toward not to exceed one step increase under the time in grade provisions of section 701 (a) of the Classification Act of 1949, as amended by the conference substitute.

Paragraph (11) of section 602(b) applies to each officer or employee who is receiving immediately prior to the effective date of section 602, pursuant to paragraph (4) of section 2(b) of the Federal Employees Salary Increase Act of 1955, an existing aggregate rate of compensation, determined under section 208(b) of the act of September 1, 1954 (68 Stat. 1111; Public Law 763, 83d Cong.), plus the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, by section 2 of the Federal Employees Salary Increase Act of 1958, and by section 112 of the Federal Employees Salary Increase Act of 1960. Such officer or employee will receive an aggregate rate of compensation equal to the sum of (1) his existing agregate rate of compensation determined under the savings provisions of section 208(b) of the act of September 1, 1954, referred to above, and (2) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, and (3) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1958, and (4) the amount of the increase provided by section 112 of the Federal Employees Salary Increase Act of 1960, and (5) the amount of the increase made by section 602 under compensation schedule I in the maximum rate of his grade. This rate will remain in effect for such officer or employee until he leaves his position or until he is entitled to receive aggregate compensation at a higher rate by reason of the operation of the amendment or any other law. However, when the position becomes vacant, the aggregate rate of compensation of any later appointee thereto will be fixed in accordance with applicable provisions of law. Paragraph (11) of section 602(b) also contains a provision to the effect that, subject to the possibility that any such officer or employee may leave his position or may become entitled to aggregate compensation at a higher rate, the amount of the increase provided by section 602 is to be held and considered, for the savings purposes of section 208(b) of the act of September 1, 1954, to constitute a part of the existing aggregate rate of compensation of the officer or employee.

Step increases

Section 603 amends title VII, "Steps increases" of the Classification Act of 1949. Title VII currently provides two types of step increases: (1) Periodic step increases under section 701, and (2) longevity step increases beyond the scheduled maximum rate of the grade under section 703. As amended the conference substitute, title VII provides for (1) periodic step increases, and (2) additional step increases to be granted in recognition of high quality performance.

Section 701 now provides periodic step increases, for employees below the maximum rate of the grade, for each 52 calendar weeks of service if the amount of the step increases is less than $200, or 78 weeks of service if the employee's position is in a grade in which the step increase is $200 or more. As amended, section 701(a) provides for periodic increases at all grades following the completion of (1) 52 calendar weeks of service in salary rates 1, 2, and 3, (2) 104 calendar weeks of service in salary rates 4, 5, and 6, and (3) each 156 calendar weeks of service in salary rates 7, 8, and 9.

Paragraphs (A) and (C) of section 701(a) which relate to eligibility for step increases are in existing law. Paragraph (B) requires, as a prerequisite to within-grade advancement, that the employee's work is of an acceptable level of competence in contrast with the present wording that the employee has a current performance rating of "satisfactory" or better.

Subsection (b) of the revised section 701 is present law.

The new section 702 of the Classification Act of 1949 in the conference substitute authorizes, in subsection (a), additional step increases in recognition of high quality performance above that ordinarily found in the type of position concerned. Such additional step increases could be made in accordance with regulations prescribed by the Civil Service Commission and under subsection (b), would be limited to not more than one within any period of 52 weeks.

Current provisions of sections 703 and 704 of the Classification Act of 1949, relating to longevity step increases, are no longer needed since these steps have been included in the regular rate range for the respective grades. The provisions are therefore repealed. Section 703 of the amended title VII which is already in existing law (as section 705) provides that title VII shall not apply to persons appointed by the President, by and with the advice and consent of the Senate. Title VII currently does not have a section 702.

General compensation rules

Section 604(a) revises section 802(b) of the Classification Act of 1949 to provide that when an employee is promoted to a position in a higher grade he shall receive basic compensation at the lowest rate of the higher grade which exceeds his existing rate by not less than two step increases of the grade from which promoted. This subsection also specifies the action to be taken if there is no rate in the higher grade two step increases above the employee's existing rate, or if he is receiving a rate saved under section 507 of the Classification Act of 1949 on reduction in grade. Existing law provides only a one-step increase upon promotion or transfer to a higher grade. A similar proposal is included in H.R. 1010 which passed the House of Representatives on August 22, 1961.

Section 604(b) adds a new subsection (d) to section 802 of the Classification Act of 1949. There is no present authority for saving the basic compensation of an employee who, together with his position, is brought under the Classification Act from some other Federal pay system (such as the wage board system), if his salary rate is in excess of the maximum rate of the classification grade in which his position is placed. The new subsection would authorize the Civil Service Commission to issue regulations to permit the retention of salary in such instances. It includes special provisions applicable in case of subsequent demotion in grade.

Section 604(c) substitutes a new section 803 of the Classification Act of 1949. Because of the more comprehensive provisions in section 504 of title I, part II, of the conference substitute, the present provisions of section 803, authorizing advanced entrance rates of the grades for appointments in shortage occupations, are unnecessary and therefore are being deleted. Section 803, as amended, provides that under regulations of the Civil Service Commission, any employee under the Classification Act who regularly has responsibility for supervision, including technical supervision, over wage board employees may be paid a rate for his grade above the highest rate paid to any such prevailing rate employee.

Salary retention

Section 605 amends section 507 of the Classification Act of 1949 which provides for the retention of salary when an employee is demoted to a lower grade. The amendment in paragraph (1) extends application of the provisions of section 507 to employees in all grades of the Classification Act of 1949 by omitting the language of existing law which excludes application of the benefits to employees in grades GS–16, GS–17, and GS–18. The amendment in paragraph (2) strikes out "B in the same grade or in the same or higher grades;" in paragraph (4) of subsection (a) of such section 507 and inserts in lieu thereof "(B) in any grade or grades higher than the grade to which demoted;". This change in language will permit salary retention not now permitted under section 507 where there may have been a series of promotions followed by a demotion or a series of demotions.

Increase in number of top grade positions under the Classification Act of 1949

Section 606 amends section 505 of the Classification Act of 1949. Subsection (a) increases from 1,989 to 2,400 the limitation on the number of positions the Civil Service Commission, under section 505(b) of the Classification Act, may authorize to be placed in grades 16, 17, and 18 of the general schedule, and excludes from this limitation engineering research and development posi-

tions and positions in the physical sciences, natural sciences, and medicine. Subsection (b) excludes these same types of positions from the number of positions in grades 16, 17, and 18 now authorized for the Department of Defense in section 505(j) of the Classification Act.

Section 606(c) authorizes the Attorney General to place a total of 10 positions of warden in the Bureau of Prisons in grade 16 of the general schedule. This increases by four the number of such positions which may be assigned to GS–16. This subsection also authorizes the Attorney General to place a total of eight positions of member of the Board of Parole in grade 17 of the general schedule. Presently only one such position is in grade GS–17 and the other seven are in grade GS–16.

Section 607 repeals certain provisions of law authorizing (1) incumbency allocations to top Classification Act grades, and (2) certain positions to be placed in top grades of the act or to have an equivalent salary.

Section 608(a) provides that each position covered by a repeal provision in section 607 shall be placed in the appropriate grade of the general schedule of the Classification Act, in accordance with the provisions of that act.

Section 608(b) provides that positions in grades 16, 17, and 18 of the general schedule immediately prior to the effective date shall remain in such grades until appropriate action is taken under section 505 of the Classification Act.

SAVINGS PROVISION

Section 609 contains the usual salary savings provisions.

Effective dates

Section 610 provides that except as otherwise expressly provided the provisions of title II of part II shall become effective on the first day of the first pay period which begins on or after the date of enactment.

TITLE III—POSTAL FIELD SERVICE EMPLOYED

Section 701 cites this title as the "Postal Employees Salary Adjustment Act of 1962."

Employees under the postal field service schedule

Section 702 provides two postal field service schedules. Schedule I would be effective the first pay period after enactment and schedule II, the first pay period after January 1, 1964. The salary schedules for the postal field service follow the pattern established for other statutory pay systems in that they are based on the principle of industry comparability for levels of work.

The structure of the proposed schedules is generally similar to that of the Classification Act of 1949. It replaces both annual salary steps in the present PFS schedule and longevity rates which is accomplished by the addition of step increases to the PFS schedule.

Employees under the rural carrier schedule

Section 703(a) establishes two new schedules for determining rural carrier pay, the first effective on the first pay period after enactment and the second on the first pay period after January 1, 1964. It also combines the present salary steps and longevity steps into a single 12-step schedule.

Pay rates for the RCS schedule were determined by adding the amount of increase provided for PFS–4, step 7, to the present step 7 rate for the 42-mile route, and adjusting other rates for that route to the corresponding rates for PFS–4.

Section 703(b) amends section 3543(c) of title 39, United States Code, which authorizes payment of additional compensation to rural carriers on heavily patronized routes, by eliminating the existing provision permitting such payment only if the route does not exceed 61 miles in length, as well as the provision limiting the additional compensation to an amount which when added to the basic salary for the maximum step for the route would equal the basic salary for the maximum step for a 61-mile route.

Section 703(c) amends section 3543(f) of title 39, United States Code, to increase the equipment maintenance allowance for rural carriers from 10 cents to 12 cents a mile or from $3.50 to $4.20 a day, whichever is greater.

Section 703(c) changes the method of compensating substitute rural carriers. Under the present system these carriers are paid at the rate of the carrier in whose absence they are serving. Under the new provisions, substitute carriers will be paid on the basis of their own service in the same manner as regular carriers.

Postmasters under the fourth-class office schedule

Section 704 amends section 3544(a) of title 39, United States Code, the code to provide two new compensation schedules for postmasters in fourth-class post offices, one effective the first pay period after enactment and the other effective the first pay period after January 1, 1964.

The proposed schedules continue to relate compensation to receipts categories. The first schedule provides an increase of 10 percent above current salary rates. The second schedule adds another 5 percent or a total of 15 percent over existing rates. Subsection (b) extends to postmasters of the third- and fourth-class salary restoration rights now enjoyed by other postal employees.

Automatic advancement by step increases

Section 705 amends 39 U.S.C. 3552, which relates to advancement of employees by step increases.

Under subsection (a), 39 U.S.C. 3552, the schedule of advancement is established. The present schedule of advancement provides for increases based on 52 weeks of service in a step until the highest step in the level is reached. In levels PFS–1 through PFS–6 this form of advancement is continued for the first six increases; the next five increases are attained after a 156-week waiting period for each. In all levels above PFS–6, under the new schedule, the employee will be advanced to steps 2, 3, and 4, on the basis of 52 weeks of service in each step, to steps 5, 6, and 7, on the basis of 104 weeks of service, and to steps 8 and above, on the basis of 156 weeks of service. The conference substitute does not continue the limitation on the advancement of substitutes assigned to road duty. It has been the practice of the Post Office Department to credit service by such a substitute in step 4, PFS–5, and, upon placement in a position not subject to the limitation, the employee would be advanced in step in the new position on the basis of such service, if otherwise proper. The removal of such limitation will permit these substitute employees who were not advanced beyond step 4 of salary level PFS–5 by reason of the limitation, to be given credit for all their service in step 4 and given the appropriate step increases at the time of conversion.

Subsection (b), 39 U.S.C. 3552, codifies and makes permanent a provision of law common to salary increase legislation affecting postal employees. In effect, it provides that statutory increases in basic compensation are not equivalent increases for purposes of determining eligibility for advancement under subsection (a).

Subsection (c), 39 U.S.C. 3552, reenacts the last sentence of 39 U.S.C. 3552(a) as a separate subsection.

The current provisions of 39 U.S.C. 3552(b) are, in effect, repealed by this amendment. Under present service conditions, withholding of advancement by step increases from substitutes in PFS–5 assigned to road duty cannot be justified.

Temporary employees

Section 706 amends 39 U.S.C. 3554 by deleting the phrase "under the postal field service schedule" and inserting in its place the phrase "in the postal field service." The purpose of this change is to permit the payment of compensation to temporary rural carriers serving under limited appointments in the same manner as to other postal field service employees. In effect, this change will continue the present method of compensation of these carriers.

Promotions

Section 707 amends 39 U.S.C. 3559 in its entirety. The present method of promotion guarantees to each employee a minimum increase equivalent to the difference between step 1 of the level from which promoted and step 1 of the level immediately above. The new provision will guarantee to each employee promoted to a higher level a minimum increase equivalent to two step increases of the level from which promoted; if the employee is promoted to a level more than two levels above the level of his position, he will receive a minimum increase equivalent to three step increases.

Rural routes

The purpose of section 708 is to remove the limitation on the present authority of the Postmaster General with respect to the establishment or extension of star routes in areas previously served by rural routes. Under present law such substitution may not be made if a qualified rural carrier can be obtained. This change will permit the Postmaster General to exercise administrative discretion in the selection of the more efficient or economical service.

Miscellaneous provisions

The new salary plan abolishes longevity steps and provides for recognition of long service through addition of within-grade steps. Therefore, the distinction made in sections 3101(5) and 3101(6) of title 39, between basic salary and basic compensation, is no longer valid and section 709 eliminates this distinction.

Section 710 amends 39 U.S.C. 3541 to provide a method for determining the daily rate of compensation of substitute rural carriers. By using a factor of 304, the number of days of service on a rural route in a year, holiday pay is prorated throughout the year against the actual service of the substitute rural carrier. In this respect, pay treatment of these employees will be consistent with that afforded other substitute employees.

Conversion rules

Section 711 provides the rules for the conversion of existing salaries to the new pay schedules which would become effective on the first day of the first pay period after enactment. The conversion method generally will place each employee in the numerical step which he attains immediately prior to the effective date of the new pay plan, plus an additional numerical step for each longevity step attained immediately prior to conversion.

Credit is preserved toward the next within-grade or automatic step increase earned by employees prior to conversion if they were not given an additional step increase by reason of longevity steps attained prior to conversion. Such credit will be applied toward fulfillment of the requirements of the new advancement schedule. No credit earned toward longevity steps will be carried over. No employee's salary will be reduced on conversion.

In addition, to provide a greater salary increase for present employees, each employee in levels PFS–1 through PFS–4 or under the rural carrier schedule will be advanced one extra step on conversion.

Section 712 provides for the conversion of employees to the schedules to become effec-

tive in January 1964 according to the numerical step attained immediately prior to the date of conversion. Where existing compensation exceeds the rate for the numerical step, the existing compensation is retained if conversion cannot be made, to a scheduled step.

Section 713 amends section 3560 of title 39, United States Code, as added by section 201 of the act of September 21, 1961 (75 Stat. 569, Public Law 87–270), which provides, among other things, that employees in protected rates will be given statutory increases applicable to the salary standing from which reduced. The purpose of section 713 is to make clear that, inasmuch as the new salary plan involves basic structural changes for employees now under the PFS, RCS, and FOS schedules, this particular feature of 39 U.S.C. 3560 cannot be given application at the time of conversion to the new schedules. Salaries of employees in protected rates as of the date of conversion will be converted under sections 711 and 712 of the conference substitute, as appropriate.

Basic salary in cases of assignments of postal employees

Section 714 amends section 3335(b) of title 39, United States Code, so as to clarify the intent of Congress with respect to the authority of the Postmaster General to authorize higher level compensation. This amendment is required to remove objections of the Comptroller General, as stated in his decision of February 1, 1962 (B–138999), to the Department's application of the present statutory provision and to validate payments that have been made.

Salary protection

Section 715 extends existing salary protection provisions to all levels of the postal field service schedule and clarifies their application to certain situations.

Section 716 contains a new compensation rule which will permit the Postmaster General to make exceptions to the schedule of automatic advancement provided in 39 U.S.C. 3552 in recognition of exceptional competence. This provision will require implementation by regulations to be issued by the Postmaster General.

Top grade positions and Whitten amendment

Section 717 removes PFS–17 from the controlled position group and grants the postal field service a 10-percent exemption under the Whitten amendment.

Section 718 contains two conforming changes to the table of contents of title 39, United States Code.

Repeals

Section 719 repeals those provisions of Public Law 86–568 which contained salary increases for postal field service employees, effective July 9, 1960. It also repeals 39 U.S.C. 3558, which provides for the present system of longevity compensation; the new pay schedules supersede the longevity system in its entirety.

Effective dates

Section 720 specifies the effective dates of the various sections in title III.

TITLE IV—DEPARTMENT OF MEDICINE AND SURGERY IN THE VETERANS' ADMINISTRATION

Title IV relates to physicians, dentists, and nurses in the Department of Medicine and Surgery of the Veterans' Administration who are subject to a separate pay system prescribed by chapter 73 of title 38, United States Code. The revisions made by this title not only take into account the Bureau of Labor Statistics findings but also reflect the results of extensive studies of the Veterans' Administration concerning the need for a modernization of the entire grade and salary structure of the Department of Medicine and Surgery to recognize the numerous organizational and functional changes which have taken place in the Department since its inception in 1946.

In recognition of the nature of their occupations and the variability of assignments in a clinical setting, the grade and salary of physicians, dentists, and nurses in the Department of Medicine and Surgery are determined on the basis of an individual's qualifications and professional attainment. Notwithstanding this fact, comparison of the qualification and skill requirements for like occupations under the Classification Act corroborate extension to the Department of Medicine and Surgery schedules in the manner indicated in the conference substitute bill of the salary scale proposed for the Classification Act system. Appropriate differentiation in pay between recognized skill levels as well as executive and managerial levels is maintained. Internal relationships of pay between the D.M. & S. system and the Classification Act system are also continued.

Section 801 amends section 4103 of title 38 of the United States Code. It reduces the maximum number of Assistant Chief Medical Directors from eight to five and modifies the provisions pertaining to directors of service and chiefs of division. In lieu of these positions, a new position level of Medical Director is established. The salaries of the Assistant Chief Medical Directors, the Director of Nursing Service, the Chief Pharmacist, and Chief Dietitian are appropriately adjusted in line with other increases proposed by the conference substitute. The statutory positions of the Deputy Director of Nursing Service, Chief Physical Therapist, and Chief Occupational Therapist are eliminated. The duties of the first-named position will be filled by a nurse of the Assistant Director grade. The salaries for the positions of Chief Physical Therapist and Chief Occupational Therapist will be set in the future under the Classification Act of 1949.

Section 802 amends section 4107 of title 38, United States Code. In subsection (a) of section 4107, the former schedules entitled "Medical Service" and "Dental Service" have been combined and retitled "Physician and Dentist Schedule." The existing schedules have provided identical grades and pay scales and their continued separation serves no purpose. The junior grade of the former schedules has been eliminated and, two new grades—the director grade and executive grade—have been established. The schedule now titled "Nursing Service" has been retitled "Nurse Schedule." Two new grades—the assistant director grade and chief grade—have been established, and the former grades of assistant director and senior grade have been retitled "senior grade" and "intermediate grade," respectively.

The amendment also provides the pay scales for the physician and dentist schedule and the nurse schedule to be effective on the first day of the first pay period after enactment and after January 1, 1964.

The amendment of section 4107 of title 38 of the United States Code specifies the intended use of the two new grades—director and executive—in the physician and dentist schedule.

Section 803, which amends section 4108 of title 38 of the United States Code, repeals the present provision providing for an allowance equal to 15 percent of the pay of persons rated as medical, surgical, or dental specialists under the provisions of that section, since the latitude which will be afforded within the pay range of each grade will permit appropriate recognition of specially qualified individuals. The current subsection (b) of 4107 of title 38, without change, has been redesignated as section 4108 for purpose of greater clarity and as a matter of drafting convenience.

Subsection (b) of section 803 is a perfecting amendment to the table of contents at the head of chapter 73 of title 38, to reflect the change in the catchline of section 4108.

Section 804 amends section 4111(b) of title 38 to provide that the per annum salary rate of a director of a hospital, domiciliary, or center who is not a physician in the medical service shall not be less than the rate of salary he would receive if such service as a director had been as a physician in the director grade. Except with respect to change in rate of salary, the subsection does not affect the allocation of any such position to any grade of the Classification Act or the application of the Performance Rating Act of 1950 to any individual.

Section 805 provides that title IV shall become effective on the first day of the first pay period after enactment except as otherwise expressly provided.

TITLE V—THE FOREIGN SERVICE ACT OF 1946

Section 901 provides that title V may be cited as the "Foreign Service Salary Reform Act of 1962."

Section 902 amends section 412 of the Foreign Service Act of 1946 by adjusting upward the per annum salary rates for the eight classes of Foreign Service officers. No change is made in the number of classes and, with the exception of class I, which has two salary rates, the general pattern of seven rates for each class is continued. As in other sections of this title, the schedules of per annum salary rates, provided by this section, are to be effective in two phases at the beginning of the first pay period after enactment and after January 1, 1964.

Section 903 amends section 415 of the Foreign Service Act of 1946 by revising the structure of the Foreign Service staff salary schedule and embodying certain changes directly comparable to those made in the revision of the Classification Act of 1949.

There are at present 22 classes in the Foreign Service staff schedule. The proposed schedule of 10 classes would eliminate the unnecessary and seldom-used classes in the current schedule. Since custodial, maintenance, and the most routine clerical functions are performed almost exclusively by alien employees at Foreign Service posts, there is little need for U.S. citizen employees at the level of duties represented by classes 14 through 22. Since classes 14 through 22 are to be abolished, it will be necessary to give the Secretary the authority contained in proposed section 415(b) in order that persons in such classes may continue to be employed at appropriate rates. The new section 415(b) would give the Department all needed flexibility in this respect, should it be desirable in unusual circumstances, to employ American personnel at lower rates for duties less difficult than those of FSS–10. Within the proposed Foreign Service staff salary schedule, 10 salary rates are proposed for the lower 6 classes, and 9 for the upper 4. This conforms with Classification Act of 1949 salary ranges proposed at similar salary levels. Section 903 prescribes two schedules of per annum salaries for staff officers and employees to be effective the first pay period after enactment and after January 1, 1964.

Section 904 provides for the conversion of Foreign Service personnel from their present salary rates to those established by the conference substitute.

Section 905 repeals section 642(b) of the Foreign Service Act relating to longevity step increases for Foreign Service staff officers and employees and makes minor conforming changes in the heading and identification of the section in the Foreign Service Act. Since the new Foreign Service staff schedule provides 9 or 10 rates for within-class increases, this section is no longer needed.

Section 906 provides that, except as otherwise expressly provided, title V shall become effective on the first day of the first pay period after enactment.

TITLE VI—MISCELLANEOUS SALARY PROVISIONS

Section 1001 increases the salary limitations for certain scientific, professional, and other positions to accord with the salary ranges of the general schedule of the Classification Act of 1949. In most cases the salary range stated in the laws which are amended has a $19,000 maximum. The amendments proposed would tie the maximum to grade 18 of the general schedule.

Subsection (a) of section 1001 revises the salary range in section 2(b) of Public Law 313, 80th Congress, as amended, from $12,500–$19,000, to a range from the minimum salary of grade GS–16 to the highest rate of grade GS–18, and authorizes eight such positions in the Library of Congress.

Subsection (b) amends section 1581(b) of title 10 of the United States Code, relating to certain scientific or professional positions in the Department of Defense, to provide a minimum rate for such positions as the minimum rate of GS–16 and a maximum rate equivalent to GS–18 pay.

Subsection (c) extends the new range to positions now paid at $12,500 to $19,000 in the National Security Agency.

Subsection (d) amends the proviso in the first sentence of section 208(g) of the Public Health Service Act, as amended, which relates to compensation rates of certain scientific, professional, and administrative personnel in the Public Health Service to provide a minimum rate of grade GS–16 and a maximum at the pay of grade GS–18.

Subsection (e) establishes a maximum rate, equivalent to the pay of grade GS–18 for five positions of technical experts in the Department of Agriculture engaged in research in foot-and-mouth and other animal diseases.

Subsection (f) amends section 203(b)(2) of the National Aeronautics and Space Act of 1958 to provide that the Administrator may fix the rates for certain excepted positions at not to exceed the pay of grade GS–18 of the Classification Act of 1949. Thirty of these positions may continue to be paid up to $21,000.

Subsection (g) amends the proviso in section 161(d) of the Atomic Energy Act of 1954, as amended, to permit the fixing of salaries of scientific and technical personnel up to a limit of the pay of grade GS–18 of the General Schedule of the Classification Act of 1949. The present limit is $19,000.

Subsection (h) substitutes the GS–18 rate in place of $19,500 as the top salary for 23 positions in the Federal Aviation Agency.

Subsection (i) authorizes use of Foreign Service salary rates for paying the U.S. representative and alternate on the Executive Board of the World Health Organization in place of present maximum salaries of $12,000 and $10,000.

Subsection (j) sets the GS–18 rate as the maximum salary for certain positions established under the Mutual Educational and Cultural Exchange Act, now authorized to be paid up to $1,000 more than the rate of GS–18.

Subsection (k) fixes the GS–18 salary as the maximum rate for certain positions under the Foreign Assistance Act which may now be paid up to $19,000 a year.

Subsection (l) fixes the GS–18 salary rate as the top salary for certain Peace Corps positions now paying up to $19,000 a year.

Agricultural stabilization and conservation county committee employees

Section 1002 extends to agricultural stabilization and conservation county committee employees the salary increases provided by the conference substitute for corresponding Classification Act of 1949 salary levels.

Assistant U.S. attorneys

Section 1003 raises from $15,000 to $17,500 the maximum amount which can be paid to assistant U.S. attorneys and provides for an increase of 7½ percent in their existing rates of compensation.

Employees in the judicial branch

Section 1004 authorizes, for employees of the judicial branch, salary increases corresponding to those proposed in the statutory salary systems in the executive branch.

Officers and employees in the legislative branch

Section 1005(a) provides an increase of 7 percent to officers and employees in or under the legislative branch.

Subsection (b) provides for the automatic adjustment, effective October 16, 1962, of the compensation of employees in the office of a Senator to the rate nearest that being received by such employees immediately preceding such effective date unless the disbursing office of the Senate is notified to the contrary within 15 days after the date of enactment. Such notice, when given, would give effect to the increase.

Subsection (c) provides an increase of 7 percent in the rates of basic compensation of the elected officers of the Senate (not including the Presiding Officer) the Parliamentarian of the Senate, the legislative counsel and senior counsel in the Office of the Legislative Counsel of the Senate, the Official Reporters of Debates of the Senate and the Chief Clerk of the Senate, except that no such salary may be raised to an amount above $21,500.

Subsection (d) increases the limitation fixed by law on the compensation of employees of the Senate by the amount necessary to pay the additional compensation provided by the conference substitute.

Subsection (e) provides that the provisions of subsection (a) shall not apply to employees engaged in folding speeches and pamphlets whose compensation is subject to the new limitation.

Subsection (f) covers elected officers of the House of Representatives (other than Members) and certain other officers of the House of Representatives who are not covered by other provisions of the conference substitute. Subsection (f) covers the following officers and employees of the House of Representatives:

1. The Assistant Parliamentarian No. 1 of the House of Representatives, whose total rate of per annum compensation is now prescribed by House Resolution 339, 84th Congress, section 103 of the Legislative Branch Appropriation Act, 1957 (70 Stat. 370; Public Law 624, 84th Cong.), and section 117(g) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 304; Public Law 86–568).

2. The following elected officers of the House of Representatives, whose total rates of per annum compensation are now prescribed by House Resolution 486, 84th Congress, section 103 of the Legislative Branch Appropriation Act, 1957 (70 Stat. 370; Public Law 624, 84th Cong.), section 4(k) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 209; Public Law 85–462), and section 117(g) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 304; Public Law 86–568): the Clerk of the House, the Sergeant at Arms of the House, the Doorkeeper of the House, and the Postmaster of the House.

3. The chief of staff of the Joint Committee on Internal Revenue Taxation, whose total per annum compensation is now prescribed under authority of section 302(c) of the act of October 4, 1961 (75 Stat. 793; Public Law 87–367).

4. The legislative counsel of the House of Representatives, whose total per annum compensation is now fixed in accordance with a provision relating to the legislative counsel of the Senate in the Legislative Branch Appropriation Act, 1958 (71 Stat. 251; Public Law 85–75) (as modified by secs. 4(c) and 4(m) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 208 and 209; Public Law 85–462)), and section 117(g) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 304; Public Law 86–568).

5. The coordinator of information of the House of Representatives, whose total per annum compensation is now fixed under House Resolution 183, 80th Congress, section 105 of the Legislative Branch Appropriation Act, 1948 (61 Stat. 377; Public Law 197, 80th Cong.), section 2(e) of the act of October 24, 1951 (65 Stat. 612; Public Law 201, 82d Cong.), section 4(c) of the Federal Employees Salary Increase Act of 1955 (69 Stat. 176; Public Law 94, 84th Cong.), section 4(l) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 209; Public Law 85–462), and section 117(g) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 304; Public Law 86–568).

6. Two printing clerks, one for the majority caucus room and one for the minority caucus room, whose total per annum compensation is now provided for on a present incumbency basis in the paragraph under the heading "House of Representatives" and the subheading "Special and Minority Employees" in the Legislative Branch Appropriation Act, 1958 (71 Stat. 247; Public Law 85–75), as modified by a comparable provision in each annual appropriation act for the legislative branch, the latest such provision currently being the paragraph under the heading "House of Representatives" and the subheading "Special and Minority Employees" in the Legislative Branch Appropriation Act, 1962 (75 Stat. 325; Public Law 87–130).

7. Four minority employees of the House in positions referred to in House Resolution 486, 84th Congress, whose total per annum compensation is now fixed under such resolution and section 103 of the Legislative Branch Appropriation Act, 1957 (70 Stat. 370; Public Law 624, 84th Cong.), section 4(r) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 209; Public Law 85–462), and section 117(g) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 304; Public Law 86–568).

The above list of officers and employees within the purview of subsection (f) is not necessarily all-inclusive.

It may be noted, in connection with House officers and employees in the categories covered by subsection (f), that three employees in comparable categories are granted increases in compensation under section 1005(a) rather than subsection (f). These employees are as follows:

1. The Chaplain of the House of Representatives, whose present rate of total per annum compensation consists of a per annum basic rate prescribed by section 6 of the Legislative Appropriation Act, 1956 (69 Stat. 508; Public Law 242, 84th Cong.), and additional compensation provided by the various pay increase laws covering legislative branch employees generally, including section 117(a) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 303; Public Law 86–568).

2. The Assistant Parliamentarian No. 2 of the House of Representatives whose present rate of total per annum compensation consists of a per annum basic rate provided by House Resolution 277, 82d Congress, and section 277 of the Legislative Branch Appropriation Act, 1953 (66 Stat. 478; Public Law

471, 82d Cong.), and additional compensation provided by the various pay increase laws covering legislative branch employees generally, excluding the Federal Employees Salary Increase Act of 1958 but including section 117(a) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 303; Public Law 86-568).

3. The clerk to the House Parliamentarian, whose present rate of total per annum compensation consists of per annum basic rate fixed under House Resolution 486, 85th Congress, and section 103 of the Legislative Branch Appropriation Act, 1959 (72 Stat. 453; Public Law 85-570), and additional compensation provided by the various pay increase laws covering legislative branch employees generally, excluding the Federal Employees Salary Increase Act of 1958 but including section 117(a) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 303; Public Law 86-568).

Subsection (g) increases the limitations on gross rate per thousand and gross rate per hour per person payable to employees of the House of Representatives engaged in folding speeches and pamphlets by an amount equal to the increases granted to legislative employees under the conference substitute.

Subsection (h) makes clear that the increases provided by section 1005 are to be considered part of basic compensation for the purposes of the Civil Service Retirement Act.

Subsection (i) provides that notwithstanding any other provision of section 1005, no rate of compensation which exceeds $21,500 shall be increased by such section, and no increase provided by such section shall cause the gross rate of compensation (basic plus additional compensation authorized by law) or the total annual compensation of any officer or employee to exceed $21,500.

Subsection (j) provides that, insofar as the provisions of section 1005 apply to officers and employees whose compensation is based on a monthly pay period which begins on the first day of the month, such provisions shall become effective on October 16, 1962. The purpose of subsection (j) is to insure that officers and employees in the legislative branch will receive pay increases at approximately the same time as other officers and employees covered by the conference substitute.

Saving provision

Section 1006 provides, in effect, that no provision of the conference substitute shall operate to reduce any rate of salary, pay, or compensation of any officer or employee covered by the conference substitute.

Absorption of costs

Under section 1007, the departments and agencies are directed to provide for absorption of the costs of salary increases from available funds of the executive departments, but this section is not to be considered to require any employee to be separated from the service or placed in a leave-without-pay status.

Effective dates

Section 1008 provides that title VI, except as otherwise expressly provided, is to become effective on the first day of the first pay period after enactment.

Ceiling provisions

Section 1009 makes it clear that, except as provided in section 1005, this act will not cause any rate of compensation to exceed $20,000 per annum.

PART III—ADJUSTMENT OF ANNUITIES UNDER CIVIL SERVICE RETIREMENT ACT

The House bill contained no provisions such as are contained in the conference substitute under Part III, Adjustment of Annuities.

An explanation of Part III of the conference substitute is set forth below.

Section 1101 (a) provides a 5 percent increase, effective January 1, 1963, in all annuities then payable from the fund which commenced on or before that date.

Subsection (b) extends this initial increase on a graduated percentage basis to all annuities which commence in the 5-year period following January 1, 1963, in accordance with the following schedule:

Are increased from commencing date by—	
Annuities commencing between—	
Jan. 2 and Dec. 31, 1963	4 percent
Jan. 1 and Dec. 31, 1964	3 percent
Jan. 1 and Dec. 31, 1965	2 percent
Jan. 1 and Dec. 31, 1966	1 percent

Subsection (c) provides that the percentage increase granted a retiree under subsection (a) or (b) will apply to the annuity subsequently granted his survivor.

Subsection (d) excludes from the 1963 increase annuity amounts purchased at retirement by voluntary contributions.

Subsections (e) and (f) remove the ceilings on increases to retirees imposed by the 1952 and 1955 annuity increase laws. Under the annuity increase act of July 16, 1952, as amended by the act of August 31, 1954, no retiree's annuity (exclusive of that purchased by voluntary contributions) could be raised beyond $2,160. The act of August 11, 1955, similarly provided that no regular annuity could be increased under its terms beyond $4,104. These increase ceilings are repealed and made no longer effective on and after January 1, 1963. Each retiree affected by one or both of these ceilings who is still on the annuity rolls will be entitled to have his annuity rate reestablished as of January 1, 1963, as though these ceilings had never existed. This reestablished rate, plus a 5-percent 1963 increase, will be payable from and after January 1, 1963.

Subsection (g) states effective date provisions for increases.

Subsection (h) provides that monthly annuity rates after adjustment will be fixed to the nearest dollar.

Section 1102(a) adds a new subsection to section 1 of the Civil Service Retirement Act to define the term "price index" as the calendar year average of the monthly Consumer Price Index published by the Bureau of Labor Statistics.

Subsection (b) renumbers present section 18 of the Civil Service Retirement Act as section 19 and inserts a new section 18. New section 18 embodies an automatic annuity adjustment plan.

The new section 18 of the Retirement Act provides for future adjustment of annuities as follows:

Subsection (a) directs the Civil Service Commission to annually determine, after January 1, 1964, and each succeeding January 1, the percentage change in living costs from 1962 or from the year preceding the most recent cost-of-living adjustment to the latest complete year. Depending on the price index change, adjustment actions ensue.

Subsection (a)(1) provides that if the price index change from 1962 to 1963 equals a rise of at least 3 percent, an increase will be allowable, effective April 1, 1964. All annuities which began before January 2, 1963, will be increased by the percentage rise in the price index, adjusted to the nearest one-tenth of 1 percent.

Subsection (a)(2) provides for automatic increases in annuities effective April 1 of any later year after the percentage change in the price index has equaled a rise of at least 3 percent. All annuities payable from the fund as of April 1 which commenced earlier than January 2 of the preceding year will be increased by the percentage rise in the price index, adjusted to the nearest one-tenth of 1 percent.

Subsection (b) states the general rule that eligibility for an increase is governed by the commencing date of each annuity payable as of the appropriate April 1 effective date, but with these exceptions to the rule:

Under subsection (b)(1), a retiree's survivor (other than a current act child survivor) on the roll as of the first cost-of-living increase, whose annuity started the date after the retiree's death, will receive the initial increase provided the retiree's commencing date of annuity was earlier than January 2 of the year preceding the first increase.

Under subsection (b)(2), the annuity of a retiree's survivor (other than a current act child survivor), which starts the day after the retiree's death and after the effective date of the first cost-of-living increase will be increased from commencing date by whatever percentage increase the retiree was receiving at death.

Under subsection (b)(3), a special method is provided for increasing annuities of child survivors under the current act. These annuities are unique in that they are not the product of years of service times percentage of average salary. The child's rate is the lesser of (i) a set percent of average salary or (ii) a dollar amount which cannot reflect living cost salary increments. Thus, for these annuities, the cost-of-living annuity adjustment must be built into the benefit formula. The following provisions are made for child-survivor annuities which commence after the effective date of the first cost-of-living increase:

Existing formula		Increase provided—proposed increase
Spouse surviving	No spouse surviving	
40 percent of average salary divided by number of children.	50 percent of average salary divided by number of children.	Cumulative cost-of-living percent granted after commencing date of retired parent's annuity. Inapplicable to children of employee, because his average salary includes living cost adjustments which pass on to children.
$1,800 divided by number of children.	$1,160 divided by number of children.	Cumulative cost-of-living percent currently authorized. Applicable to children of retiree and employee alike, because salary living cost adjustments can never pass on to children.
$600	$720	Cumulative cost-of-living percent currently authorized. Applicable to children of retiree and employee alike, because salary living cost adjustments can never pass on to children.

Provision is made for applying these formula changes to any child's annuity which commenced in the 15-month period before the effective date of the first increase as if such initial increase had been in effect. Resulting rate adjustments would start on the effective date of the initial cost-of-living increase.

Subsection (c) excludes from cost-of-living increases annuity amounts purchased at retirement by voluntary contributions.

Subsection (d) provides that monthly annuity rates after cost-of-living increase will be fixed at the nearest dollar.

Section 1103 amends sections 1(j), 9(g), and 10(a)(1) of the Retirement Act to revise

and liberalize provisions for children survivors and election of reduced annuity with benefit to widow or widower.

The present section 9(g) of the act permits a married person retiring for any reason to irrevocably elect, in lieu of single life annuity, a reduced benefit carrying with it a survivor annuity to spouse, the choice to be made at time of retirement. The retiring individual may designate all or any porton of the single life annuity (excluding any increase because of disability retirement) as the base for annuity to spouse. To partially support the added survivor protection the retiring individual accepts, for life, his or her annuity reduced by 2½ percent of the first $2,400 and by 10 percent of any amount over $2,400 designated as the base for survivor annuity. Under the present section 10(a)(1), the named spouse becomes entitled to 50 percent of this base amount as widow's or widower's annuity, starting the day after the retiree's death and continuing until remarriage or death.

Under the conference substitute, section 9(g) of the act is amended to accord the retiring married employee a reduced benefit carrying with it a survivor annuity to spouse, unless he affirmatively elects to receive in lieu thereof the single life annuity. In the absence of the life annuity election, the total annuity (excluding any increase because of disability retirement) or such lesser portion as may be designated at time of retirement will be used as the base for annuity to spouse, and the individual will receive, for life, his or her annuity reduced by 2½ percent of the first $3,600 and by 10 percent of any amount over $3,600 which serves as the base for annuity to spouse. Section 10(a)(1) of the act is amended to accord the named spouse 55 percent of the amount used for the survivor base as widow's or widower's annuity, which would start the day after the retiree's death and continue until remarriage or death.

Subsections (c), (d), and (e) similarly amend subsections (b), (c), and (e) of section 10 of the act to uniformly accord a named survivor or a spouse survivor 55 percent, instead of 50 percent, of the annuity in respect to the deceased former employee or Member.

Under existing law survivorship benefits paid to a child cease when the child attains the age of 18, marries, or dies except that such benefits may continue past the age of 18 if the child is incapable of self-support due to a disability incurred before attaining the age of 18.

Subsection (f) of section 1103 of the conference substitute amends section 1(j) of the Retirement Act. The substitute retains all present termination provisions but adds the further exception that benefits may continue to the end of the school year in which the child attains the age of 21 only so long as the child pursues a full-time course of study in a high school, trade school, technical or vocational institute, junior college, college, university, or comparable recognized educational institution.

This change in the Civil Service Retirement Act is in keeping with veterans' benefit laws which provide for the continuance of benefits between the ages of 18 and 21 to unmarried children while taking an approved course of instruction.

Section 1104 provides that benefits made payable under the Retirement Act by enactment of the conference substitute shall be paid from the retirement fund. This is necessary because of the restriction contained in the paragraph headed "Civil Service Retirement and Disability Fund" in section 1 of title I of the act of August 28, 1958.

Section 1105 specifies January 1, 1963, as the effective date for section 1101 and provides that amendments made by section 1103, except subsection (f) will not apply to employees or members retired or otherwise separated prior to date of enactment.

TOM MURRAY,
JAMES H. MORRISON,
ROBERT J. CORBETT,
Managers on the Part of the House.

EXTENSION OF REMARKS

Mr. MEADER. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. FORD] may be permitted to extend his remarks during debate on the supplemental appropriation bill at that point in the discussion where the gentleman from Michigan [Mr. FORD], asked unanimous consent to speak for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

LEGISLATIVE PROGRAM FOR TOMORROW AND THE BALANCE OF THE WEEK

(Mr. BARRY asked and was given permission to address the House for 1 minute.)

Mr. BARRY. Mr. Speaker, may I ask the majority leader the program for tomorrow and the balance of the week?

Mr. ALBERT. Mr. Speaker, first of all, if the gentleman will yield for this purpose, we are hoping to clear everything that is ready tomorrow, and for that reason I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. GROSS. Mr. Speaker, reserving the right to object——

Mr. ALBERT. Mr. Speaker, if the gentleman will yield, I have consulted with the minority leader on this matter.

Mr. GROSS. That may be true.

Mr. BARRY. I can say it is true. I was here when the majority leader spoke to the minority leader.

Mr. GROSS. I do not question that part of it. But how much longer do we go on this evening?

Mr. ALBERT. We have finished the legislative business for the evening.

Mr. GROSS. There is some limit to endurance if this is going to be the order every day. I may say to the gentleman I do not mind taking one more whirl at it early tomorrow morning, but I remember all too well the days, weeks, and even months that we did all too little in this Congress earlier this year when we might have saved this endurance contest now. This is what I protest.

Mr. ALBERT. We did not have the kind of program we have today.

Mr. GROSS. Mr. Speaker, I withdraw my reservation.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ALBERT. Mr. Speaker, if the gentleman will yield further, the Ways and Means Committee will call up five bills by unanimous consent. These bills are as follows:

H.R. 3985, import duty on certain bread.

H.R. 9414, imported electron microscopes to be subject to regular customs duty.

H.R. 12030, statistical studies.

H.R. 12109, certain grasses, duty-free entry of.

H.R. 12470, child care deduction for deserted wives.

In addition to that, the following bills will be called up, with Senate amendments, and agree to the Senate amendments:

H.R. 5260, coconut oil.

H.R. 5700, contract carriers.

H.R. 8952, constructive sale price rule.

Following that H.R. 11970 conference report on Trade Expansion Act of 1962.

H.R. 12648, conference report on agriculture appropriation bill.

H.R. 7927, conference report on Postage Revision Act of 1961.

S. 1552, conference report on antitrust laws regarding drugs.

Then following that, the bill S. 1123, Child Labor Provisions, Fair Labor Standards Act, will be considered, with 1 hour general debate.

Then following that, H.R. 11665, conference report, on the School Lunch Act.

I will advise the gentleman that I am not prepared to announce the program for the following day. We will program conference reports and other matters as they come up.

Mr. BARRY. I thank the gentleman.

THE INDICTMENT OF EICHMANN BY ISRAEL FOR MASS MURDER

(Mr. LANE asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. LANE. Mr. Speaker, at the installation ceremonies conducted by the Chelsea Zionist District of Massachusetts, held at the Shurtleff Street Synagogue in Chelsea, on Sunday, February 12, 1961, it was my honor to be the principal speaker. I took for my subject the Eichmann case, and as you know, Mr. Speaker, Adolph Eichmann was one of the major Nazi criminals who were responsible for the murder of over 6 million Jewish civilians, men, women, and children.

The address that I delivered at the installation is as follows:

Mr. Chairman, Mr. President, at the very outset let me applaud the outgoing administration and congratulate the incoming officers for work well done and for confidence well placed. The Chelsea Zionist district has long been active in supporting the cause of Israel and urging its support by others. That its efforts have been rewarded is obvious. That its continued efforts are necessary is certain.

In 1947, on a very grim occasion, I visited this wonderful city of Chelsea. I was your speaker at the high school auditorium. The occasion was a welcome-home and a well-done to a brave Chelsea lad who was wounded by a pistol shot while resisting a boarding party from a British gunboat that intercepted a vessel running displaced Jews into Palestine past the British blockade. His

name was William Millman, and he was a member of that gallant crew bringing a precious cargo of human souls to Palestine.

I told you then, in those horrible days, when the land of Israel was barried to the children of Israel, not to be dismayed, there will be a State of Israel. There was.

I told you that President Truman will speedily recognize that State. He did.

I also told you that the State of Israel will be readily admitted to the United Nations. It was.

I did not then, as I do not now, lay any claim to powers of prophecy. My predictions of things to come was based solely on thing that went before. I knew then, as I know now, that a people who refused to perish through 2,000 years of travail and exile and the indescribable horrors of Hitler will not perish; that the spirit of faith and devotion to the moral principles of their forefathers, having been so tired, must eventually serve the purpose for which it was being tested.

I can now proudly state that my reasoning was correct. What I anticipated would happen, did happen. I also knew that a State of Israel will be a shining light in the gloomy world that followed World War II, because I knew it would be a democratic government in an area that was ruled by despots, backward and illiterate, and this bring light where light was badly needed.

I am not disappointed. The State of Israel, founded on those virtues of liberty, equality, and faith, democratic and free, is not only an outpost for democratic institutions but is an example for all new nations, now appearing, to consider and emulate. The State of Israel is the strongest rebuff the reactionary, enslaving, soul-crushing doctrines of communism have so far received. It is no wonder that Russia wants to see Israel obliterated because the forces of darkness must always flee before the power of light.

Let the new nations of the world compare. Compare a new state, founded on democratic principles, the State of Israel, with other states weighted down under the despotism of communism. I ask, where do you find greater freedom of expression, thought and soul; greater opportunity for spiritual expression, cultural development, and economic progress—in the democratically governed State of Israel or in Communist dominated Hungary, Poland, Rumania, and even Russia itself.

By example alone, the State of Israel has demonstrated the simple and eternal truth that he who lives by the sword shall perish by the sword and that it is not by might and not by strength but by spirit that man endures.

Therefore, when U.S. marine shipping was barred from the international Suez Canal because of having been used in trade with Israel; when foreign powers dared to dictate to us and classify our citizens and insist on which of our citizens they will allow in their countries and which they will not, and we submitted; when they professed to be peace loving yet refused to sit down and discuss peace terms with Israel, the nation which defeated them; when they asserted a serious refugee problem but did nothing to help their own for admittedly political reasons; when they caused our Navy Department to insert cancellation clauses in all its contracts with its suppliers whose supply ships are blacklisted by the United Arab Republic; and, when in the face of all this, the State Department permitted the U.S. Executive Director of the World Bank to vote for a $56 million loan to the United Arab Republic for widening the Suez Canal, I brought this to the attention of Congress on February 4, 1960.

I informed Congress that this affront to the United States, this insult to our people, to our principles, and to our professed sense of morality, was induced only because our Government, at that time, resorted to the use of platitudes and the comfort of temporary expediency for positive action. True facts and moral realities were swept under the rug.

I warned the administration that the pile of sweepings was so great that the administration itself would trip over it. The recent election proved how correct I was. I said that the debris must be cleaned out without delay or else in the eyes of the nations of the world we shall be considered not only weak in arms and technology but also in enforcing moral issues. You who have heard or read the inaugural address of President Kennedy know that you can expect the debris to be cleaned out without much delay.

A few weeks from today, a great and wonderful event will take place in Jerusalem.

Just as thousands of years ago there was brought down from Mount Sinai and given to the children of Israel a new moral code for all men to heed and use as a guide for civilized living (we call it the Ten Commandments), so in a few weeks, in Jerusalem, the State of Israel will open the eyes of the world to the realization that there can be no exceptions to the commandment "Thou shall not kill." I refer to the Eichmann case.

Rarely, since the framing of our Constitution and the writing of the Declaration of Independence has the concept of natural law been raised, as it will be raised in the coming trial of Adolph Eichmann.

As a lawyer, lawmaker, and human being, the issues of jurisdiction and venue greatly interest me. We are aware of the accusations against Eichmann, his apprehension, his delivery to the State of Israel and the diplomatic hauling and pulling that ensued.

There are many pros and cons offered relative to the trial of Eichmann in Israel. The arguments range all the way from those induced by anger to those advanced by thinkers, philosophers, and would-be philosophers and some not worthy of classifying.

During the course of argument the State of Israel will be the target of hate mongers, Communists, and assorted cranks.

There will also be true students of jurisprudence, dispassionate thinkers and analyts who will dissent from what I am about to say by reason of their sincere beliefs. For such I have sincerest respect because our common purpose is to see justice done. We may merely differ as to the means of accomplishing that purpose.

I make no brief for the State of Israel, it certainly needs none from me. I advance no arguments for the prosecution for it will certainly prove its competence without my assistance. My remarks are intended to let the Israel Government know that there are non-Jews who can find nothing wrong, morally or legally, in bringing before the bar of justice an accused who, if those who oppose my views were to prevail, would never be brought to trial. Eichmann would never have been brought to trial because no government went to seek him out. In fact there is a question whether or not he was given shelter from apprehension. Except for those who spent 15 years searching for him no individual or private group went to search for him. Now, however, the cry is over the right to try him.

Let us proceed to ask a few questions and offer a few answers.

The crime of murder is represensible. The sanctity of human life must never be violated. These are premises and assumptions to which all will agree. Now why do we agree to these simple assertions? Because there is a law on the books? Because the state will punish for such crime? Is that why we agree? Let us look closer. Assume there were no laws against murder or punishment for murder on the books, would the crime be less reprehensible? The answer of course is "No."

Therefore, whence comes this knowledge that murder is wrong, even without a law on the books saying so? It comes from the existence in man of a capacity to know some things with certainty, a God-given endowment. Such origin of law is commonly referred to as natural law and because of it we can assert certain truths such as described in the Declaration of Independence that all men are endowed by their Creator with certain unalienable rights among which are life, liberty, and the pursuit of happiness.

There are some legal philosophers who do not subscribe to that school of thought. They hold that the real source of law springs from reason alone and not from any divine source. Parenthetically, may I ask, whence comes reason?

However, it is not my purpose to give a dissertation on legal philosophy. It is my purpose to state my view, with the concept of natural law always in mind, dealing as we are with a case where there are no precedents, because never have there been similar facts and situations.

The question is asked whether the Eichmann trial, held in Israel, will contribute to the growth of international law and justice. The answer is comparatively simple. Where is the international tribunal to try this man? The international court of justice has no jurisdiction over the trial of individuals. The Nuremburg tribunal is no longer in existence. At best it was an imperfect court because in the words of Justice Robert H. Jackson, "We cannot await a perfect international tribunal or legislature." Down through the years there is still no perfect international tribunal for handling cases such as Eichmann; there are no officers of the law, policemen if you prefer, to ferret out other Eichmanns and bring them before the court. What court is there to handle this case? Another imperfect international tribunal? Eichmann will be safer before an Israeli court which is determined to do impartial justice, and stand forever on its record, rather than before a temporary body convened to dispose of him and then disband.

It is argued that he should be returned to the scene of his crime on the general principle of law that a man is entitled to be tried where his offense is charged to have been committed. The short answer is that the crime charged against Eichmann is murder, not of an individual as an individual, but of individuals as belonging to a common foe, the Jew. Viewed in that light I see no difference in bringing Eichmann to stand trial in the land of the foe than it was to return Ezra Pound to the United States to stand trial in this country for acts of treason committed overseas in Germany, except possibly the fact that Ezra Pound was a U.S. citizen.

It is argued that when a crime is committed it is not against the individual who suffered the wrong, but against the community. To that I agree, and that is why I assert that the community of Jews against whom the crime was committed is now in Israel, and there is where Eichmann should be tried.

It is argued that Eichmann is charged with crimes against the Jewish people. How else should he be charged? In this State a criminal charge is the Commonwealth against defendant; in some States it is the State against defendant; in other States it is people against defendant. This is no great issue, because in law it is always substance and intent that is important rather than form.

I shall refrain from offering the amendment, but I request the Bureau of the Budget to consider the introduction of such an item into the proposed budget for next year.

Second, Mr. President, I had printed an amendment with respect to increasing the sum allowed by the committee for the informational media guarantee fund from $1 million to $1.5 million. I am satisfied that such an amendment probably would not carry. I am satisfied also that the committee will approach these discussions in conference with the other body with the utmost fairness.

I made a speech this morning in which I pointed out that the big problem in the USIA was that it was altogether too narrowly confined in what we were asking for and in its general design. I said, and I repeat, that I thought powerful Uncle Sam had a pipsqueak voice because we were not asking for all that was needed to do the job commensurate with $50 billion for defense and about $5 billion for foreign aid.

But that problem will not be corrected by what I might or might not be able to do on these small amounts. Therefore, I have decided to leave that question to the conference.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H.R. 12580) was read the third time, and passed.

Mr. McCLELLAN. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCLELLAN. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McCLELLAN, Mr. ELLENDER, Mr. HAYDEN, Mr. HOLLAND, Mr. FULBRIGHT, Mr. MANSFIELD, Mrs. SMITH of Maine, Mr. SALTONSTALL, Mr. MUNDT, and Mr. HRUSKA, conferees on the part of the Senate.

POSTAL SERVICE AND FEDERAL EMPLOYEES SALARY ACT OF 1962—CONFERENCE REPORT

Mr. JOHNSTON. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7927) to adjust postal rates, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. JOHNSTON. Mr. President, I am delighted to report that the House conferees accepted the Senate bill without major change.

The Senate agreed to a small additional increase on the advertising portion of second class publications subject to zone rates. The additional increase agreed to amounts to two-tenths of 1 cent per pound in zone 1 through 6 to be effective in the final stage of the rate adjustment.

Another change agreed to by the Senate conferees would exempt mail of the third class by nonprofit organizations from the increase called for in the Senate bill.

These changes somewhat offset each other insofar as total additional revenue is concerned. Thus, the additional revenue produced by the bill will remain slightly above $600 million per year when all provisions become fully effective.

The conference was conducted in a most congenial atmosphere. I commend the conferees on the part of the House—Chairman TOM MURRAY, JAMES MORRISON and ROBERT CORBETT—for their attitude and diligence in this connection. Also, I wish to express my appreciation to the Senator from Oklahoma [Mr. MONRONEY] and the Senator from Kansas [Mr. CARLSON] for the tremendous help they were in bringing this matter to a successful conclusion.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield.

Mr. YARBOROUGH. I commend the distinguished Senator from South Carolina for his leadership on the bill and for the work which he, as chairman of the Committee on Post Office and Civil Service, has performed on various proposed legislation for 18 months.

We now have rolled into one bill a measure to adjust postage rates and another measure to adjust the salaries of Federal classified employees, postal employees, and legislative employees, and to raise by 5 percent the annuities paid to retired Federal employees.

The bill is a good and fair bill. To adjust salaries exactly among 1,600,000 Federal employees is an almost impossible task. In any group we would find someone who could say, "I did not receive my fair share."

The subject is exceedingly complicated. The distinguished chairman heard representatives of publishing companies. He heard representatives of the Federal employees. He heard representatives of the Government. I have never seen a chairman preside with more patience at hearings that took place month after month. The Civil Service Commission experts sat in at the committee meetings. The Senate staff worked with the committee. The Post Office Department had its experts present. All of them worked for many months on the bill in an attempt to bring justice to each employee and justice to the users of the mails, and to report as fair a bill as could be written.

It might be said that the bill is fair to one but is unfair to someone else. Scaling the complicated tables of pay with the complicated charges for postal services was a very difficult problem. It would require a superhuman person to say that the bill provides exact justice to everyone.

I compliment the staff that worked so many months with the committee. I commend the patience of the committee chairman and the other members of the committee who worked with him in bringing to the Senate such a just bill.

Mr. JOHNSTON. Mr. President, I thank the Senator from Texas for his remarks. I point out to Senators that the House did not pass any pay-raise bill. The House of Representatives did not cross a "t" or dot an "i" that had not already been crossed or dotted as passed by the Senate.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield.

Mr. JAVITS. Mr. President, all is well that ends well. Although the raise in pay is not what the postal workers and the Government employees thought they should have received, the increase given is certainly an earnest of the good faith of the Congress to try to do justice for them.

Even more significant is the fact that the workers were very disquieted about joining the pay raise bill with a bill that would raise postal rates. We should congratulate the committee chairman for having carried off that procedure successfully. There was disquietude about it and great worry. Many of us were besieged to bring about a separation of both parts of the bill. The chairman of the committee asked us to go along with his proposal as the way to do it. We did.

The chairman is entitled to the credit that is due for having successfully carried off something which was difficult, and about which many had grave disquiet.

Mr. JOHNSTON. I thank the Senator from New York for his remarks. Before we decided to take that action I took the matter up with the White House. I was told that in view of the lateness of the season, it was thought best that the two measures be combined. The administration agreed with the proposal, and the two measures were considered together.

Mr. JAVITS. I thank the Senator.

Mr. BUSH. Mr. President, will the Senator yield for a question?

Mr. JOHNSTON. I yield.

Mr. BUSH. While the committee was considering the postal rate measure, I believe some of the companies which manufacture metered mail equipment solicited the interest of the committee in the matter of rounding out the rates for third-class mail to the nearest mill rate. This is very important to the manufacturers of the metered mail machines, which ac-

count for more than half of the mailing that is done in respect to this class of mail. It would not only be a severe handicap to those companies, but also to the users of the metered mail machines, if this were not done. I should like to ask the Senator what the committee's attitude was in this connection, and what I can tell those people.

Mr. JOHNSTON. Mr. President, I am glad to report to the Senator from Connecticut that that subject was not taken up in the committee, nor was it taken up by the members of the committee, even before the bill was passed in the Senate, and we found ourselves in the position of agreeing between the House and the Senate. For the Senator's further information, representatives of the companies came to see me and discussed the subject with me after the conferees were appointed. I am glad to report to the Senator the further fact that they returned later and said they had arrived at an adjustment with the administration so that they could live under the bill.

Mr. BUSH. In other words, the administration and the Post Office Department have given assurance that administrative action can solve this problem. Is that correct?

Mr. JOHNSTON. They can solve the problem to such an extent that it will not cause too much inconvenience to the manufacturers of the machine.

Mr. BUSH. I thank the Senator for that assurance. It is very helpful to the people who have such an interest in the subject. I ask unanimous consent that the schedule showing what they think is necessary in connection with rounding the rate out to the nearest mill be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Proposed fractional postal bulk rates rounded to nearest whole mill

[One-half mill and above being taken as 1 mill, and values less than one-half mill being dropped]

FRACTIONS

Regular:	*Nonprofit*
2⅝ cents	1 5/16 cents
2¾ cents	1⅜ cents
2⅞ cents	1 7/16 cents

MILLS

2.6 cents	1.3 cents
2.8 cents	1.4 cents
2.9 cents	1.4 cents

The above proposals do not represent any substantial changes in rates. For example, in the third year the ultimate third-class bulk rate would be only 0.87 percent above the fractional rate proposed. On 200 pieces of mail (the minimum required for bulk use), the added amount is 5 cents—$5.80 for postage as opposed to $5.75. This advances at the rate of only 25 cents (for each $28.75 of postage), for each thousand pieces.

In the first year, there would be a slight reduction in the regular rate—0.95 percent; the second year it would advance by 1.8 percent; then the ultimate rate 0.87 percent, as shown above, but in all cases the change is so slight as to be negligible. This same pattern would be followed in the nonprofit rates, except that in the third year the 1.4 cents would represent a reduction of 2.6 percent.

PITNEY-BOWES, INC.
STAMFORD, CONN.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield.

Mr. JAVITS. I wanted to be sure that I understood that the conference report carries in it the provision with respect to the youthful survivors, 18 to 21 years of age, and that they will be able to continue their studies under that survivor provision.

Mr. JOHNSTON. The House accepted that provision.

Mr. JAVITS. I am grateful to the chairman. It is a reform that has been long overdue.

Mr. JOHNSTON. Very little money is involved. It is an equitable way of handling the problem. It involves students going to school, up to 21 years of age, and some even older, where the families pay more than half, and they are able to deduct that amount from their income tax. We thought it was only the right thing to do.

Mr. MORSE. Mr. President, I join my colleagues in the Senate in commending the Senator from South Carolina [Mr. JOHNSTON] and our other Senate colleagues for the work they did in conference on the postal bill. In my opinion, postal rate increases have no place in the bill. I did my best to try to have the postal rate and postal pay sections separated. I voted for the bill as it passed in the Senate and went to conference. I thought that the features of the bill that provided for long overdue pay increases to Federal employees outweighed the postal rate disadvantages of the bill.

However, even in the debate on the conference report, for which I shall vote, there ought to be legislative history made this afternoon, for future reference to the effect that it is not the intention on the part of the chairman of the committee, as he has told me in our other debate on the subject, to make the tying together of the postal rates and postal pay a precedent in any way. Am I correct in that position?

Mr. JOHNSTON. The Senator is entirely correct. I believe that when employees are justified in having their pay increased, they should have an increase, regardless of whether the postal revenue is enough to give them the raise. I feel the same way about postal employees as I do about any other employees of the Government.

Mr. MORSE. Passage of the bill and the adoption of the conference report relating to the bill, which includes both postal rate increases and pay increases, will nevertheless be argued by some persons in the future as a precedent. I am hopeful that the colloquy between the chairman of the Committee on Post Office and Civil Service and conference committee and the senior Senator from Oregon on the subject of tying the two together will be helpful in the future in rebutting the argument of those who might claim that here was a connection, and that it should be considered a precedent.

We all know that in the determination of legislative intent, whether it is before a governmental agency or before a court, what the chairman of the committee says has great weight with the tribunal that passes judgment on the issue of congressional intent. Therefore, I am pleased to participate in the making of this legislative history at this time.

I will vote for the conference report, as I voted for the bill. I again congratulate the Senator from South Carolina and his colleagues in the conference for doing a remarkably good job with what at best was a rather bad situation because of the fact that both postal rates and pay raises were considered in the same bill. We have helped the RECORD with this colloquy.

Mr. JOHNSTON. I am in accord with the Senator from Oregon. I should like to call one further fact to the attention of the Senator from Oregon. If he will check the RECORD he will see that the House had not allowed any pay increases in its bill. I am not being critical of the House, but I believe some of the figures in the bill frightened them. At any rate, the House had not passed a pay-raise bill. Consequently, we had to tie the pay provision to a bill already in the Senate in order to get any pay increases for Government employees. Only in this manner were we able to obtain pay increases.

I do not want anyone to think that I agree with the fact that we ought to have sufficient money in the Post Office Department, in the form of postal revenue, to offset whatever increases are necessary to give postal employees a pay raise.

We must remember that that money does not go into a separate fund; it goes into the general fund, and is then paid out to the Department. There is no connection whatever between pay increases and rate increases.

Mr. MORSE. I thank the Senator very much. I understood the parliamentary situation completely. The Senator from South Carolina explained it to me in detail when the bill was before the Senate. He was confronted with the situation that if we were to get any pay increases for our employees, it was necessary to do it by way of the route that the Senator traveled. I understood that. That is why, as I have said, I voted for the bill, because I thought the important thing was to assist Government employees who were involved in the pay section of the bill.

Mr. CARLSON. Mr. President, as a member of the conference between the House and Senate on the postal and classified pay and postal rate bill, I support the conference report. I sincerely hope it will be unanimously adopted by this body. It has been my privilege to serve on the Committee on Post Office and Civil Service for many years. I do not believe a piece of proposed legislation has ever been prepared by our committee and reported to the Senate which had more thorough study and received more research than the bill which was reported to the Senate last week.

After having attended many conferences between the Senate and the House, I believe I can say that this was the finest conference which representatives of the Senate ever had with the House. I believe that the chairman of our com-

mittee will fully agree with me as to that.

I am pleased that we could return to the Senate with a bill which provides increases in pay for Federal employees generally. I am pleased also that it was possible to provide a postal rate increase which I believe is satisfactory. The committee did much work on the bill during the many weeks of hearings. I know of no bill that has had as much study as has this bill.

I am pleased that it was possible for us to include a provision for increased benefits and payments for Federal retired workers. These two phases with respect to retired workers were accepted without change.

There were some changes in the postal provisions of the bill, but not many. One with which I am pleased, which was made yesterday, provides for the elimination of profits from the third-class rate. This takes care of veterans' organizations, churches, and philanthropic organizations. Previously, the second-class section, dealing with nonprofit groups, was taken care of on the floor of the Senate.

The bill will raise substantial money for the Post Office Department. However, no doubt we shall be confronted with a similar situation within another year or two. I hope that at the next session we can have the benefit of a study made by a commission, and that substantial funds will be made available to it, so that it will make a thorough study of the operations of this Department. It is becoming one of the largest agencies of the Government, second only to the Department of Defense. This Department spends billions of dollars, and has many thousands of employees.

Such a study definitely should be made for the benefit of Congress, so we shall not be confronted with another request for a postal rate increase without having that study before us. I think we have reached about the top of the postal rates which our people should be required to pay; and I hope very much that the study will be made next year.

Mr. President, at this time I wish to pay a tribute to the distinguished chairman of the committee and to the other members of the committee who worked so diligently on the bill. I think it is a high point in legislation dealing with postal rates and pay. Certainly the members of the staff also are entitled to much credit for the fine bill which has been brought before the Senate. I am pleased to support it.

Mr. FONG. Mr. President, as a member of the Senate Post Office and Civil Service Committee I would like to compliment the Senate conferees, the senior Senator from South Carolina [Mr. JOHNSTON], the junior Senator from Oklahoma [Mr. MONRONEY], and the senior Senator from Kansas [Mr. CARLSON] on their accomplishments upon meeting with the House conferees on H.R. 7927. I note that the conference report on this bill does not substantially change the bill as passed by this body on September 27, 1962.

The people of the State of Hawaii will be particularly pleased that the conferees saw fit to keep an amendment I made to H.R. 7927 which restores the weight and size limitation of parcel post matter moving between, Hawaii, Alaska, and their sister States.

For 3 years the individuals and business establishments of the States of Hawaii and Alaska have carried a burden imposed by an arbitrary postal ruling. The Post Office Department recognized this and consequently concurred in my amendment. The people of Hawaii are grateful to the Senate for their consideration in this matter.

Mr. President, I voted for this bill when it came out of committee. Although I do not agree with every provision it contains I feel it is an excellent piece of legislation, and am pleased to have had the opportunity to assist in its production. I urge that the Senate vote its passage as now reported by the able Senate Post Office and Civil Service Committee chairman [Mr. JOHNSTON].

The PRESIDING OFFICER (Mr. DODD in the chair). The question is on agreeing to the conference report.

The report was agreed to.

Mr. JOHNSTON. Mr. President, I move that the vote by which the report was agreed to be reconsidered.

Mr. MANSFIELD. Mr. President, I move to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House insisted upon its amendment to the bill (S. 3389) to promote the foreign commerce of the United States through the use of mobile trade fairs, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BONNER, Mr. DOWNING, Mr. CASEY, Mr. MAILLIARD, and Mr. PELLY were appointed managers on the part of the House at the conference.

INVESTMENT BY CERTAIN BANKS IN CORPORATIONS PROVIDING CLERICAL SERVICES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 2071, House bill 8874, to authorize certain banks to invest in corporations whose purpose is to provide clerical services for them, and for other purposes.

I make this request because of the fact that agreement has been reached, as I understand, among the Senators involved, in regard to a satisfactory amendment which will be offered, I believe, by the Senator from Wisconsin [Mr. PROXMIRE].

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H.R. 8874) to authorize certain banks to invest in corporations whose purpose is to provide clerical services for them, and for other purposes.

Mr. MANSFIELD. Mr. President, I ask that the time available for consideration of the amendment be limited to 10 minutes—5 minutes to be under the control of the Senator from Wisconsin [Mr. PROXMIRE] and 5 minutes to be under the control of the Senator from Virginia [Mr. ROBERTSON].

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I should like to have some time on this measure, too.

Mr. MANSFIELD. Certainly.

UNITED STATES, BRITISH, AND FRENCH RIGHTS IN BERLIN

Mr. JAVITS. Mr. President, on behalf of myself and the very distinguished Senator from Oregon [Mr. MORSE], I submit, and send to the desk, a concurrent resolution, and request its appropriate reference.

The resolution concerns the posture of the United States in regard to Berlin, and is in precisely the same terms as House Concurrent Resolution 570, which was reported today by the Foreign Affairs Committee of the House.

The purpose of the resolution, which I shall read to the Senate, is to make clear that our attention is not being diverted by the situation in Cuba, and that we equate, in terms of importance to the United States, the position in Berlin with the position in Cuba. This resolution is, in substance, along the same lines as the resolution on Cuba which was well nigh unanimously adopted by both the Senate and the House of Representatives.

The PRESIDING OFFICER. The concurrent resolution will be received, printed, and appropriately referred.

The concurrent resolution (S. Con. Res. 97) was referred to the Committee on Foreign Relations, as follows:

Whereas the primary purpose of the United States in its relations with all other nations is and has been to develop and sustain a just and enduring peace for all; and

Whereas it is the purpose of the United States to encourage and support the establishment of a free, unified, and democratic Germany; and

Whereas in connection with the termination of hostilities in World War II the United States, the United Kingdom, France, and the Soviet Union freely entered into binding agreements under which the four powers have the right to remain in Berlin, with the right of ingress and egress, until the conclusion of a final settlement with the Government of Germany; and

Whereas no such final settlement has been concluded by the four powers and the aforementioned agreements continue in force: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress—

(a) that the continued exercise of United States, British, and French rights in Berlin constitutes a fundamental political and moral purpose;

(b) that the United States would regard as intolerable any violation by the Soviet Union directly or through others of those rights in Berlin, including the right of ingress and egress;

(c) that the United States is determined to prevent by whatever means may be neces-

sary, including the use of arms, any violation of those rights by the Soviet Union directly or through others, and to fulfill our commitment to the people of Berlin with respect to their resolve for freedom.

Mr. JAVITS. Mr. President, I am honored to be joined in the sponsorship of the resolution by the distinguished Senator from Oregon [Mr. MORSE].

I believe it most important that the Soviet Union understand that what we say about Cuba, we mean equally about Berlin, and that we will not be diverted from our purpose by either.

Mr. MORSE. Mr. President, this concurrent resolution is most important, because in my judgment it is a corollary of the Cuban resolution.

Furthermore, as chairman of the Subcommittee on Latin-American Affairs, I am very much concerned about some propaganda which is being circulated. In my judgment, it is unfair to the President and to all the people of the United States. It is to the effect that, in some way, somehow, Berlin may be on the bargaining table vis-a-vis action taken in connection with Cuba.

About 10 days ago, I spoke briefly on this subject on the floor of the Senate. My remarks were based upon briefings which I had received from responsible officials of the administration. In those briefings, I was assured that there would be no basis for any bargain or trade in regard to Berlin vis-a-vis Cuba.

Nevertheless, the rumors to which I have referred have begun to circulate.

Therefore, Mr. President, we owe it to the President to adopt this concurrent resolution, in order to strengthen his hand and to make clear that we have no intention to enter into any trade with Khrushchev in regard to Berlin and Cuba; that the same principle of freedom is at stake in both Berlin and Cuba; and that we do not barter freedom; we protect freedom.

Adoption of the concurrent resolution will accomplish two things: First, it will make very clear our answer to the rumor propaganda being circulated; second, it will show the world that we are behind the President in his determination to protect freedom in Berlin.

Mr. JAVITS. Mr. President, I thank the Senator from Oregon for his support.

RACE RELATIONS AND DISCRIMINATION IN MISSISSIPPI

Mr. JAVITS. Mr. President, today the Wall Street Journal has given us a very instructive analysis in regard to the very serious situation in Mississippi. I think every Senator can read with great profit the article the Wall Street Journal has published. It is entitled "Moderates Speak Up—200 Top Mississippians Seek To Bar Defiance of Courts in Future."

The article is a report on a meeting of 200 Mississippi businessmen who are deeply disquieted by what the defiance of law and the ensuing riots mean to the people of Mississippi and to the businesses in Mississippi. Of course, these businessmen are strongly opposed to such a situation. Mr. President, not only is this the voice of reason of the citizens of Mississippi, with all their pride in their great State; it is also the voice of reason of all citizens of the United States.

I ask unanimous consent that the article be printed in full at this point in the RECORD, in connection with my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Oct. 3, 1962]

MODERATES SPEAK UP—200 TOP MISSISSIPPIANS SEEK TO BAR DEFIANCE OF COURTS IN FUTURE—BUSINESSMEN STRIVE TO CURB FURTHER VIOLENCE, EXERT PRESSURE ON LOCAL OFFICIALS—AN EYE ON STATE'S ECONOMY

(By Neil Maxwell)

JACKSON, MISS.—At 12:45 p.m. yesterday a meeting broke up in the Crown Room of the King Edward Hotel here. Out poured nearly 200 of the most prominent citizens of Mississippi.

This meeting may affect the future of race relations in Mississippi more than all the strife and disorder reported in headlines the world over since Negro James Meredith arrived at the University of Mississippi campus Sunday. The subject discussed by the group: How to prevent further bloodshed in Mississippi.

Not one political official was invited to this gathering of business and professional leaders from all parts of the State. The meeting marked the first time any sizable group of prominent whites in Mississippi have committed themselves to work publicly for law and order and, in effect, for an end to defiance of the Federal courts, no matter how unpalatable any breaching of Mississippi's rigid segregation might be to them.

In a statement signed by every man at the meeting, the group urged "all our mayors and local public officials in every town, city, and county to advocate forthrightly and immediately the maintenance of law and order."

These white leaders' stand might not seem a bold step in most States, but in Mississippi it is extraordinary. With responsible business and professional elements keeping quiet until now, the public stage has been occupied by extreme and highly vocal segregation leaders and their political allies. Thus Gov. Ross Barnett a week ago was publicly threatening to arrest and jail Federal officials. And no influential voice of moderation was heard in reply here.

[In New York, a leading integrationist group prepared to wage economic warfare against Mississippi. The Congress of Racial Equality said it would threaten boycotts against manufacturers locating new plants in the State, and would challenge in court the State's right to Federal tax exemption on its bonds.]

MODERATE SPEAKS UP

One of the first calming statements from a prominent Mississipian came Monday morning. W. H. "Billy" Mounger, a rising young Jackson businessman who heads Lamar Life Insurance Co. and a radio and television station, went on the air to plead for an end to violence.

"I am not in conflict with the Governor's purpose of trying to test the legal and sovereign rights of our State," Mr. Mounger declared. "But I think it should be done legally, not by violence. And the Governor is the only man who can stop the violence." The executive also urged obedience to Federal laws.

Without exception, it appears, responsible Mississippians were dismayed by the bloody mob scenes in Oxford, home of the university. "Everyone is shocked and sick over the rioting at Oxford," says one Jackson executive.

At least some businessmen in Mississippi believe incendiary statements by Governor Barnett made the violence inevitable. And they fear now that violence has been loosed, it may spread. "When they're frustrated by the troops at Ole Miss, some extremists are apt to turn elsewhere in the State," says a Mississippi attorney. "Some crackpot is apt to try to bomb a Negro school."

BANKERS, LAWYERS PRESENT

Among the prime movers who met here yesterday to figure out ways to prevent such violence were persons whose names carry considerable weight in Mississippi. They included Nat Rogers, president of Deposit Guaranty Bank & Trust Co., the State's biggest bank; R. M. Hearin, president of the First National Bank of Jackson; R. D. "Bob" Morrow, a former State treasurer, and a trio of influential lawyers—Chester Curtis, of Clarksdale; William Barbour, of Yazoo City; and Frank Everette, of Vicksburg.

These men and others at the meeting are powerful in Mississippi. Politicians turn to them for support and advice. Even before yesterday's gathering, they had been pressuring Governor Barnett to adopt a more moderate tone. On Monday a Jackson man who attended yesterday's meeting confided to a friend: "We finally got Ross to issue a statement, though it's not as strong as we wanted." He referred to the Governor's public plea to all outsiders to "go home" and to Mississippians "to remain in your homes."

The business and professional leaders say they intend to try to act as a calming influence in their communities. "We're trying to get businessmen to urge their employees to stay in their hometowns and keep calm," explains one of them. "We'll try to pour oil on troubled waters. We won't blame anyone for what's past. We just want to bind up our wounds and prevent any more violence."

WENT ALONG WITH BARNETT

Why weren't these moderates heard from earlier?

One businessman claims most business elements had gone along with the Governor because they understood he planned only to exhaust every legal defense. "The Governor and his aids gave assurances, accepted in good faith, that no violence would occur," he says. But by last Thursday some business leaders realized violence was in the offing. "By then," this businessman insists, "it was too late for any leader of stature to stand up and say frankly 'this thing is leading us down the road to violence.' "

Whatever the wisdom of their course before the riots broke out, many Mississippi businessmen now appear determined to play a more active and open role in State affairs. Declares W. P. "Pat" McMullan, chairman of Deposit Guaranty Bank: "We think this thing is going to bring forth a leadership from the business community we've never had before in Mississippi."

Businessmen here stoutly maintain the racial troubles won't have any serious impact on business. "It's just one incident, and if it ends there it won't be detrimental," says C. B. Ryan, president of Storkline, Inc., a Jackson producer of TV cabinets and other wood products. But he adds: "If the violence doesn't stop, nobody can tell what the result will be." He reports there is no sign of tension in his plant, where half the 1,800 workers are Negroes. Whites and Negroes will continue to cooperate on the job, he believes, because they know anything that would disturb the company's operations could cost their jobs.

WOOING INDUSTRY

In recent years Mississippi has been wooing new industry with considerable success. Last year alone the State attracted 83 new businesses which provided 7,018 new jobs and represented $155 million in capital investment.

It might be assumed that this drive for industry would be hampered by the events

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued Oct. 5, 1962
For actions of Oct. 4, 1962
87th-2d, No. 181

CONTENTS

Agricultural appropriations.....1,17,34
Appropriations.....1,4,17,22,33,34,37,39
ASC committees.....24
Assistant Secretary.....3
Bread imports.....28
Bridges.....12
Census.....27
Coconut oils.....29
Coffee.....9
Conflict of interest....19
Drugs.....26
Electrification.....10,20
Employment.....3,38
Farm labor.....16,31
Farm program.....8,23
Fish protein.....41
Flood control.....5
Foreign aid.....14
Foreign trade.....2
Forest roads.....6
Forestry.....6,7,44
Health.....13
Import restrictions.....2
Inspection.....12
Legislative program.....33
Legislative record....8,23
Library services.....42
Patents.....25
Pay increase.....3,32,33
Personnel.....3,19
Postal rates.....3
Public works.....5,22,33
Research.....40
Retirement.....3
Roads and trails.....6
Ryukyu Islands.....35
School lunch.....21
Tariffs.....28
Townsite laws.....36
Transportation.....30
Vaccinations.....13
Veterans' loans.....11
Water resources.....5
World Food Congress.....18
Wildlife.....15,43

HIGHLIGHTS: Senate passed USDA appropriation continuation measure for fiscal year 1963. Both Houses agreed to conference report on foreign trade bill. House insisted on amendments in disagreement on agricultural appropriation bill. Senate agreed to conference report on pay bill. Sen. Russell objected to consideration of supplemental appropriation bill. Senate passed roads bill. Sen. Morse commended Secretary Freeman's speech on forestry. Senate passed public works authorization bill. Senate received International Coffee Agreement. House passed bill for holding World Food Congress. Rep. Wilson, Ind., commended ASC committeemen. House agreed to conference report on school lunch fund apportionment bill. Sen. Mansfield and Rep. Cooley reviewed legislative accomplishments in farm legislation.

SENATE

1. AGRICULTURAL APPROPRIATIONS. Passed without amendment S. J. Res. 234, an appropriation continuation measure for this Department authorizing appropriations for fiscal year 1963 for "projects or activities which were conducted in the fiscal year 1962 by the Department of Agriculture, including the corporations therein, and the Farm Credit Administration, at a rate for operations not in excess of the current rate (amount appropriated or authorized to be expended in the fiscal year 1962) or the rate provided for in the budget estimate (amount estimated to be appropriated or estimated to be expended in the fiscal year 1963) whichever is lower, except that the 1963 Agricultural Conservation Program shall not exceed $250,000,000." Sen. Russell stated,

"I think it is prudent that the Senate pass the continuing resolution at this time, in the eventuality that it is impossible for the conferees to reach agreement on the regular appropriation bill." This measure had been reported by the Appropriations Committee earlier in the day (S. Rept. 2277). pp. 21014-5

2. FOREIGN TRADE. Both Houses agreed to the conference report on H. R. 11970, the foreign trade bill (by a vote of 256 to 91 in the House; no record vote in theSenate) (pp. 20997-21008, 21097-125). This bill will now be sent to the President. The conferees agreed to an amendment requiring the President to impose duties or other import restrictions on the products of any foreign country establishing and maintaining foreign import restrictions against U.S. agricultural products, notwithstanding any provision of any trade agreement under the bill and to the extent he deems necessary and appropriate, in order to prevent the establishment or obtain the removal of foreign import restrictions and to provide access of U. S. agricultural products to the markets of such foreign country. Also, agreed to an amendment of the Senate providing that Sec. 22 of the Agricultural Adjustment Act and import restrictions imposed thereunder shall be unaffected by this bill.

3. PERSONNEL. Agreed to the second conference report on H. R. 9727, the Federal pay and postal-rate increase bill, after the bill had been returned to conference earlier for further consideration (pp. 21017-20, 21053). The conferees struck out a provision in the bill which would have provided that retirement increases for retired employees could be paid out of the civil service retirement fund notwithstanding the provisions of Public Law 85-844.

Passed without amendment S. 3459, to authorize the appointment of one additional Secretary of State. p. 21057

The Post Office and Civil Service Committee voted to report (but did not actually report) H. R. 5698, to extend the apportionment requirement of the Civil Service Act to temporary summer employment. p. D939

4. SUPPLEMENTAL APPROPRIATIONS. Sen. Russell objected to the second reading of H. R. 13290, the supplemental appropriation bill for 1963, thus delaying consideration of the bill for one day (p. 20956). The Appropriations Committee voted to report this bill earlier in the day (p. D939).

5. PUBLIC WORKS. Passed with amendments H. R. 13273, the public works authorization bill for rivers and harbors and flood control projects (pp. 20958-996). Senate conferees were appointed (p. 20996). Agreed to an amendment by Sen. Hartke providing for the establishment of a Wabash Basin Interagency Water Resources Commission (pp. 20992-3). Consideration of a similar bill S. 3773 was indefinitely postponed (p. 20996).

6. ROADS. Passed with amendments H. R. 12135, the roads authorization bill for 1964 and 1965 (pp. 21011-4, 21016-7, 21020-3). Both Houses appointed conferees (pp. 21023, 21183). This bill includes authorizations for forest highways of $33 million for fiscal years 1964 and 1965, and for forest development roads and trails of an additional $20 million for fiscal year 1963 to bring the total authorization for that year to $60 million, $70 million for 1964, and $85 million for 1965 (as compared to the present level of $40 million).

7. FORESTRY. Sen. Morse inserted and commended Secretary Freeman's speech on the national forestry program before the Membership Conference of the Western Pine Association. pp. 21084-7

26. DRUGS. By a vote of 347 to 0, agreed to the conference report on S. 1552, the proposed Drug Industry Act of 1962. This bill will now be sent to the President. pp. 21133-6

27. CENSUS. Passed without amendment S. 3631, to amend title 13, U.S.C., to preserve the confidential nature of copies of reports filed with the Bureau of the Census on a confidential basis. This bill will now be sent to the President. A similar bill, H. R. 10569, was tabled. p. 21149

28. TARIFFS. Passed as reported H. R. 12109, to amend the Tariff Act of 1930 to permit certain natural grasses and other natural materials to be imported free of duty. pp. 21152-3

Passed as reported H. R. 3985, to provide for the imposition of a duty on imports of certain bread and for the removal of such duty under certain conditions. pp. 21153-4

29. COCONUT OILS. Concurred in the Senate amendments to H. R. 5260, to suspend for 3 more years (until June 30, 1966) the processing tax on the first domestic processing of coconut oil, palm oil, palm kernel oil, and certain derivatives of such oils. This bill will now be sent to the President. pp. 21154-5

30. TRANSPORTATION. Conferees were appointed on H. R. 5700, to permit the Secretary of the Treasury to designate any contract carrier, authorized to act as such by any agency of the U. S., as a carrier of bonded merchandise for the final release of which from customs custody a permit has not been issued. Senate conferees have not yet been appointed. p. 21155

31. FARM LABOR. Began debate on S. 1123, to amend the Fair Labor Standards Act so as to permit a child to be employed in agricultural work outside of school hours if he is employed by his parents on the home farm or if he is 14 years of age or over, and to authorize the Secretary of Labor to issue regulations barring particularly hazardous employment for children up to the age of 16. pp. 21157-61, 21162-83

Agreed to the following amendments:

By Rep. O'Hara, to make the provisions of the bill effective July 1, 1963, instead of July 1, 1962. p. 21170

By Rep. Martin, Nebr., to restrict the authority of the Secretary of Labor in determining hazardous employment for children under 16 to that of operation of power-driven machinery or the use of dangerous substances. pp. 21170-2

By Rep. Green, as amended by an amendment by Rep. Goodell, to provide that a child may be employed on a farm to which he commutes daily from his permanent residence and has the written consent of his parents or guardian, or the latter are also employed on the same farm. pp. 21175-9

By Rep. Fountain, by a vote of 124 to 96, to provide that nothing in the Fair Labor Standards Act shall be construed as invalidating any provision of State law which would be valid in the absence of such act, unless there is a direct and positive conflict between the act and State law. pp. 21179-82

32. PAY BILL. The Speaker pro tempore sustained a point of order by Rep. Gross against the conference report on the Federal pay and postal-rate increase bill, H. R. 7927, and conferees were appointed for a further conference (pp. 21142-3). The amended conference report (see item 3) was received (pp. 21192-215).

33. LEGISLATIVE PROGRAM. Rep. Albert announced that the conference report on H. R. 7927, the pay bill, and the conference report on H. R. 12900, the public works appropriation bill for 1963, will be considered on Fri. pp. 21217-8

NOTE: Not all of the House proceedings were printed in the Congressional Record of October 4. The remaining proceedings of the House will be printed in the next issue of the Record.

BILLS INTRODUCED

34. AGRICULTURAL APPROPRIATIONS. S. J. Res. 234, by Sen. Russell, making continuing appropriations for the Department of Agriculture and the Farm Credit Administration for the fiscal year 1963; considered and passed.

BILLS APPROVED BY THE PRESIDENT

35. RYUKYU ISLANDS. H. R. 10937, to amend the act providing for promotion of economic and social development in the Ryukyu Islands by increasing from $6 million to $12 million the amount authorized to be appropriated in any fiscal year for programs within the Ryukyu Islands that are approved by the President. Approved October 4, 1962 (Public Law 87-746).

36. TOWNSITE LAWS. H. R. 11266, to extend to Alaska the provisions governing the disposition of public lands under the townsite laws so as to permit tracts of land in Alaska to be sold subject to a reservation of the U. S. of coal, oil, and gas. Approved October 3, 1962 (Public Law 87-742).

37. APPROPRIATIONS. H. R. 12711, the independent offices appropriation bill for 1963. Approved October 3, 1962 (Public Law 87-741).

PRINTED HEARINGS RECEIVED BY THIS OFFICE

38. EMPLOYMENT. State of the economy and policies for full employment. Joint Economic Committee

Extended temporary unemployment compensation benefits. H. Ways and Means Committee

39. APPROPRIATIONS. H. R. 12276, District of Columbia appropriations for 1963, parts 1 and 2; and H. R. 13175, foreign assistance and related agencies appropriations for 1963. S. Appropriations Committee.

40. RESEARCH. Radiation standards, including fallout, parts 1 and 2. Joint Atomic Energy Committee.

41. FISH PROTEIN. H. R. 9101 and other bills relating to fish protein concentrate. H. Interstate and Foreign Commerce Committee.

42. LIBRARY SERVICES. H. R. 11823, to amend the Library Services Act. H. Education and Labor Committee.

43. WILDLIFE. H. R. 10714 and other bills to authorize increased payments to counties for wildlife refuges. H. Merchant Marine and Fisheries Committee.

44. FORESTS. H. R. 7195 and other bills relating to miscellaneous forest legislation. H. Agriculture Committee.

0

COMMITTEE HEARINGS OCT. 5:

Use of electronic data processing equipment by Federal agencies, H. Civil Service (HEW, Labor, VA, and employee organizations to testify).

87TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 2532

POSTAL SERVICE AND FEDERAL EMPLOYEES SALARY ACT OF 1962

OCTOBER 4, 1962.—Ordered to be printed

Mr. MURRAY, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H.R. 7927]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7927) to adjust postal rates, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Postal Service and Federal Employees Salary Act of 1962".

PART I—POSTAL SERVICE

TITLE I—POSTAL RATES

FIRST-CLASS MAIL

SEC. 101. Section 4253(a) of title 39, United States Code, is amended by striking out the words "four" and "three" wherever appearing in subsection (a) and inserting in lieu thereof the words "five" and "four", respectively.

AIRMAIL

SEC. 102. (a) Section 4303 of title 39, United States Code, is amended—

(1) by striking out the word "seven" in subsection (a) and inserting in lieu thereof the word "eight";

(2) by striking out the word "five" in subsection (b) and inserting in lieu thereof the word "six";

(3) by increasing each of the rates under the heading "First pound over 8 ounces or fraction thereof" in the table in subsection (d)(1) by 8 cents;

(4) by striking out paragraph (2) of subsection (d) and inserting in lieu thereof the following:

"(2) The rate of postage on air mail of the first class weighing in excess of eight ounces shall be the rate provided by subsection (a) for each ounce not in excess of eight ounces, plus 5 cents for each ounce or fraction thereof in excess of eight ounces, but in no case less than the rate provided under paragraph (1) for air parcels."

SECOND CLASS WITHIN COUNTY OF PUBLICATION

SEC. 103. Subsections (a) and (b) of section 4358 of title 39, United States Code, are amended to read as follows:

"(a) Except as provided in subsection (b), the rate of postage on publications admitted as second-class mail when addressed for delivery within the county in which they are published and entered is as follows:

"[*In cents*]

	"*Mailed after January 6, 1963, and prior to January 1, 1965*"	*Mailed after December 31, 1964*
"*Rate per pound*"	1	1¼
Minimum charge per piece	⅛	⅛

"(b) The rate of postage on the following publications admitted as second-class mail when mailed for delivery, within the county in which they are published and entered, by letter carrier at the office of mailing, shall be—

"(1) publications issued more frequently than weekly, one cent a copy;

"(2) publications issued less frequently than weekly—

"(A) weighing two ounces or less, one cent a copy;

"(B) weighing more than two ounces, two cents a copy."

SECOND CLASS BEYOND COUNTY OF PUBLICATION

SEC. 104. (a) Section 4359(b) of title 39, United States Code, is amended to read as follows:

"(b)(1) Except as provided by paragraphs (2), (3), and (4), the rates of postage on publications mailed in accordance with subsection (a) are as follows:

"[In cents]

	"Mailed after January 6, 1963, and prior to January 1, 1964	*Mailed during calendar year 1964*	*Mailed after December 31, 1964*
"Rate per pound:			
Advertising portion:			
Zones 1 and 2	*3.4*	*3.8*	*4.2*
Zone 3	*4.4*	*4.8*	*5.2*
Zone 4	*6.4*	*6.8*	*7.2*
Zone 5	*8.4*	*8.8*	*9.2*
Zone 6	*10.4*	*10.8*	*11.2*
Zone 7	*12.0*	*12.0*	*12.0*
Zone 8	*14.0*	*14.0*	*14.0*
Nonadvertising portion	*2.6*	*2.7*	*2.8*
Minimum charge per piece	*.6*	*.8*	*1.0*

"(2) The postage on classroom publications is 60 per centum of the postage computed in accordance with paragraph (1).

"(3) The rates of postage on publications of a qualified nonprofit organization mailed in accordance with subsection (a) are as follows:

"[In cents]

	"Mailed after January 6, 1963, and prior to January 1, 1964	*Mailed during calendar year 1964*	*Mailed after December 31, 1964*
"Rate per pound	*1.6*	*1.7*	*1.8*
Minimum charge per piece	*.125*	*.125*	*.125*

"(4) In lieu of the minimum charge per piece prescribed by paragraph (1), the minimum charge per piece to be paid by the following publications (other than publications to which paragraph (2) or paragraph (3) is applicable) shall be as follows—

"(A) publications mailing fewer than 5,000 copies per issue outside the county of publication—one-half cent per piece;

"(B) any issue of a publication the advertising portion of which does not exceed 5 per centum of the entire issue—.55 of a cent per piece when mailed after January 6, 1963, and prior to January 1, 1964, .65 of a cent per piece when mailed during calendar year 1964, and .75 of a cent per piece when mailed after December 31, 1964."

(b) Section 4359(e)(2) of title 39, United States Code, is amended by striking out "and fraternal," and inserting in lieu thereof the following: "fraternal, and associations of rural electric cooperatives, and not to exceed one publication published by the official highway agency of a State which meets all of the requirements of section 4354 and which contains no advertising".

(c) Section 4360 of title 39, United States Code, is repealed.

SECOND-CLASS TRANSIENT MAIL

SEC. 105. Section 4362 of title 39, United States Code, is amended by striking out "two cents" and inserting in lieu thereof "four cents".

CONTROLLED CIRCULATION PUBLICATIONS

SEC. 106. Section 4422 of title 39, United States Code, is amended by striking out "12 cents a pound or fraction thereof" and inserting in lieu thereof the following: "12½ cents a pound or fraction thereof when mailed after January 6, 1963, and prior to January 1, 1964, 13 cents a pound or fraction thereof when mailed during calendar year 1964, and 13½ cents a pound or fraction thereof when mailed after December 31, 1964".

THIRD-CLASS MAIL

SEC. 107. Section 4452 of title 39, United States Code, is amended—

(1) by amending subsections (a), (b), and (c) to read as follows:

"(a) Except as provided in subsection (c) of this section, and subject to the minimum charge per piece provided in subsection (b) of this section, the postage rates on third-class mail are as follows:

"Type of mailing	Rate	Unit
	Cents	
(1) Individual piece	4	First 2 ounces or fraction thereof.
	2	Each additional ounce or fraction thereof.
(2) Bulk mailings under subsec. (e) of this section of:		
(A) Books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions and plants.	12	Each pound or fraction thereof.
(B) Other matter	18	Do.

"(b) Matter mailed in bulk under subsection (e) of this section is subject to a minimum charge for each piece of 2⅝ cents when mailed subsequent to January 6, 1963, and prior to January 1, 1964, 2⅞ cents when mailed during calendar year 1964, and 2⅞ cents when mailed after December 31, 1964, except that the minimum charge per piece on such matter mailed by qualified nonprofit organizations is 1¼ cents.

"(c) The pound rates on matter mailed in bulk under subsection (e) by qualified nonprofit organizations are 50 per centum of the pound rates provided by subsection (a)."

(2) by striking out "subsections (a) and (b) of" wherever it appears in subsection (d).

(3) by striking out "$20" and "twenty pounds" in subsection (e) and inserting in lieu thereof "$30" and "fifty pounds", respectively, effective January 1, 1963.

FOURTH-CLASS MAIL

SEC. 108. Section 4552(b)(5) of title 39, United States Code, relating to size and weight limitations on fourth-class matter mailed to or from

certain areas, is amended by striking out the words "Territory of Hawaii" and inserting in lieu thereof the words "States of Alaska and Hawaii,".

SEC. 109. Section 4554 of title 39, United States Code (relating to books, films, and similar educational materials), is amended by striking out that part of subsection (a) which precedes paragraph (1) and inserting in lieu thereof the following:

"(a) Except as provided in subsection (b) of this section, the postage rate is 9½ cents a pound for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof when mailed after January 6, 1963 and prior to January 1, 1964, and 10 cents for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof when mailed after December 31, 1963, except that the rate now or hereafter prescribed for third- or fourth-class matter shall apply in every case where such rate is lower than the rate prescribed in this subsection on—".

FEES FOR SECOND-CLASS ENTRY AND REGISTRATION

SEC. 110. Section 4357 of title 39, United States Code, is amended—

(1) by striking out "$25" in subsection (a)(1) and inserting in lieu thereof "$30";

(2) by striking out "$50" in subsection (a)(2) and inserting in lieu thereof "$60";

(3) by striking out "$100" in subsection (a)(3) and inserting in lieu thereof "$120";

(4) by striking out "$10" in the first sentence of subsection (b) and inserting in lieu thereof "$15";

(5) by striking out the second sentence of subsection (b) and inserting in lieu thereof the following: "The fee for each additional entry is $15, except that if the additional entry is made within zones 3 to 8, inclusive (determined from the office of publication and entry), of the zones established for purposes of fourth-class mail, such fee shall be $50.";

(6) by striking out "$20" in subsection (c) and inserting in lieu thereof "$25"; and

(7) by striking out the last sentence in subsection (d).

PERMIT FEES FOR MAILING WITHOUT STAMPS

SEC. 111. Section 4052(b) of title 39, United States Code, is amended by striking out "$10" and inserting in lieu thereof "$15".

FIXING OF FEES BY POSTMASTER GENERAL

SEC. 112. Section 507 of title 39, United States Code, is amended by adding at the end thereof the following:

"(12) the issuance of a permit for prepayment of postage without stamps.

"(13) the entry, re-entry, or additional entry of a periodical publication as second-class mail.

"(14) the registry of a news agent.

Fees prescribed by the Postmaster General under paragraphs (12) to (14), inclusive, shall be collected in lieu of the corresponding fees established under section 4052(b) or 4357."

KEYS AND OTHER SMALL ARTICLES

SEC. 113. Section 4651(b) of title 39, United States Code, is amended by striking out "5 cents" and inserting in lieu thereof "6 cents".

METHOD OF DETERMINING GROSS RECEIPTS

SEC. 114. Section 711(c) of title 39, United States Code, is amended by striking out "Public Law 85–426" and inserting in lieu thereof "any Act of Congress enacted on or after May 27, 1958".

STANDARDS FOR DETERMINATION OF QUALIFICATIONS OF APPLICANTS FOR POSITIONS OF POSTMASTER

SEC. 115. In evaluating the qualifications of applicants for positions of postmaster, the United States Civil Service Commission shall give, with respect to each applicant, all due and appropriate consideration to experience in the postal field service, including seniority, length of service level of difficulty and responsibility of work, attendance, awards and commendations, and performance rating.

TITLE II—POSTAL POLICY

SEC. 201. (a) Section 2302(c)(4) of title 39, United States Code, is amended by striking out "deemed to be attributable to the performance of public services under section 2303(b) of this title" and inserting in lieu thereof "determined under section 2303 of this title to be attributable to the performance of public services".

(b) Section 2303(a) of title 39, United States Code, is amended—

(1) by amending the headings so as to read

"§ 2303. Identification of public services and costs thereof";

(2) by striking out paragraph 1(A) and inserting in lieu thereof the following:

"(A) reduced rates for certain publications as provided by section 4359 of this title;";

(3) by striking out paragraph 1(C) and inserting in lieu thereof the following:

"(C) second class mailings at postage rates as provided by section 4358 of this title;"; and

(4) by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) 10 per centum of the gross cost of the operation of third-class post offices and the star route system, and 20 per centum of the gross cost of the operation of fourth-class post offices and rural routes."

(5) by adding at the end thereof the following new sentence: "The terms 'total loss' and 'loss' as used in this section mean the amounts by which the total allocated costs incurred by the postal establishment in the performance of the public services enumerated in this subsection exceed the total revenues received by the postal establishment for the performance of such public services."

(c) Section 2303 (b) of title 39, United States Code, is amended to read as follows:

"(b) The Postmaster General shall report to the Congress, on or before February 1 of each year beginning with the year 1963, the estimated amount of the losses or costs (or percentage of costs) specified in subsection

(a) incurred by the postal establishment in the then current fiscal year in the performance of the public services enumerated in such subsection. The aggregate amount of the losses or costs (or percentage of costs) specified in subsection (a), incurred by the postal establishment in any fiscal year in the performance of such public services, shall be excluded from the total cost of operating the postal establishment for purposes of adjustment of postal rates and fees, including any adjustment pursuant to the provisions of section 207(b) of the Act of February 28, 1925, relating to reformation of classification (39 U.S.C., 1958 ed. 247)."

(d) The table of contents of chapter 27 of title 39, United States Code, is amended by striking out

"2303. Identification of and appropriations for public services."

and inserting in lieu thereof:

"2303. Identification of public services and costs thereof.".

TITLE III—MISCELLANEOUS

ELIGIBILITY OF CERTAIN ORGANIZATIONS FOR SECOND-CLASS ENTRY

SEC. 301. Section 4355(a) of title 39, United States Code is amended—

(1) by inserting after the words "State board of health" in subparagraph (3) a comma and the words "or a State industrial development agency".

(2) by striking out the period at the end of subparagraph (9) and inserting in lieu of such period a semicolon and the word "or"; and

(3) by adding at the end thereof the following new subparagraph (10):

"(10) published by any public or nonprofit private elementary or secondary institution of learning or its administrative or governing body.".

EDUCATIONAL MATERIALS

SEC. 302. Section 4554 of title 39, United States Code, is amended—

(1) by striking out paragraph (5) of subsection (a) and inserting in lieu thereof the following:

"(5) sound recordings, including incidental announcements of recordings and guides or scripts prepared solely for use with such recordings;";

(2) by striking out the period at the end of paragraph (6) of subsection (a) and inserting in lieu thereof a semicolon;

(3) by adding at the end of subsection (a) the following:

"(7) printed educational reference charts, permanently processed for preservation; and

"(8) looseleaf pages, and binders therefor, consisting of medical information for distribution to doctors, hospitals, medical schools, and medical students."

(4) by striking out the word "students' " immediately preceding the word "notations" in paragraph (1) of subsection (a) and in paragraph (2) of subsection (b);

(5) by inserting after the words "loaned or exchanged" in paragraph (1) of subsection (b) the following: "(including cooperative processing by libraries)";

(6) by striking out:

"(D) bound volumes of periodicals;
"(E) phonograph recordings; and"

in paragraph (2) of subsection (b) and inserting in lieu thereof:

"(D) periodicals, whether bound or unbound;
"(E) sound recordings; and"; and

(7) by striking out "and catalog of those items" in subsection (c) and inserting in lieu thereof "scientific or mathematical kits, instruments, or other devices and catalogs of those items, and guides or scripts prepared solely for use with such materials".

READING AND OTHER MATERIALS FOR BLIND PERSONS

SEC. 303. Sections 4653 and 4654 of title 39, United States Code, are amended to read as follows:

"§ 4653. Publications for blind persons

"(a) The following matter may be mailed free of postage—

"(1) books, pamphlets, and other reading matter, including pages thereof:

"(A) published (whether prepared by hand, or printed) either in raised characters or in sightsaving-size type, or in the form of sound recordings, for use of blind persons;
"(B) in packages not exceeding the weight prescribed by the Postmaster General;
"(C) containing no advertising or other matter whatsoever;
"(D) unsealed;
"(E) sent—
"(i) by an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, as a loan to blind readers, or when returned by the blind reader to the lender; or
"(ii) to a blind person without cost to the blind person; or
"(iii) to an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, to be furnished to a blind person without cost to such blind person.

"(2) magazines, periodicals, and other regularly issued publications:

"(A) published (whether prepared by hand, or printed) either in raised characters or in sightsaving-size type, or in the form of sound recordings, for use of blind persons;
"(B) containing no advertising;
"(C) for which no subscription fee is charged.

"(b) There may be mailed at the rate of postage of 1 cent for each pound or fraction thereof—

"(1) books, pamphlets, and other reading matter including pages thereof:

"(A) published (whether prepared by hand, or printed) either in
"(A) published (whether prepared by hand, or printed) either in raised characters or in sightsaving-size type, or in the form of sound recordings, for use of blind persons;
"(B) in packages not exceeding the weight prescribed by the Postmaster General;

"(C) containing no advertising or other matter whatsoever;
"(D) unsealed;
"(E) sent—
"(i) by an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, on a rental basis to blind readers, or when returned by the blind reader to such organizations, at a price not greater than the cost price thereof; or
"(ii) to a blind person at a price not greater than the cost price thereof; or
"(iii) to an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, to be furnished to a blind person at a price not greater than the cost price thereof.

"(2) magazines, periodicals, and other regularly issued publications:
"(A) published (whether prepared by hand, or printed) either in raised characters or in sightsaving-size type, or in the form of sound recordings, for use of blind persons;
"(B) containing no advertising;
"(C) when furnished by an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, to a blind person, at a price not greater than the cost price thereof.

"§ 4654. Reproducers, sound recordings, and other materials and appliances for the preparation of reading matter for blind persons

"(a) Reproducers, or parts thereof, for sound recordings for blind persons which are the property of the United States Government may be mailed free of postage when sent for repair, or returned afer repair—
"(1) by an organization, institution, public library, or association for blind persons, not conducted for private profit;
"(2) by a blind person to such an agency not conducted for private profit;
"(3) from such an agency to an organization, institution, public library, or association for blind persons not conducted for private profit; or
"(4) to a blind person.

"(b) The Postmaster General may extend the free mailing privilege provided by subsection (a) of this section to reproducers or parts thereof for sound recordings for blind persons, braille writers and other appliances for blind persons or parts thereof, that are the property of—
"(1) State governments or subdivisions thereof;
"(2) public libraries;
"(3) private agencies for the blind not conducted for private profit; or
"(4) blind individuals.

"(c) The Postmaster General may also permit the mailing free of postage of paper, records, tapes, and other materials for use by the recipients for the production (whether by hand or printed) of reading matter either in raised characters or sightsaving-size type, or in the form

of sound recordings, for use of blind persons, where such materials are the property of—

"(1) State governments or subdivisions thereof;

"(2) public libraries;

"(3) private agencies for the blind not conducted for private profit; or

"(4) blind individuals."

REPEALS AND TECHNICAL AMENDMENTS

SEC. 304. (a) The following provisions of law are repealed:

(1) The third proviso in section 3 of the Act of October 30, 1951, as amended by the Act of June 23, 1959 (73 Stat. 89; Public Law 86–56);

(2) Sections 204(d), 204(e)(1), and 204(e)(2) of the Postal Rate Revision and Federal Employees Salary Act of 1948, as amended by the Act of July 14, 1960 (74 Stat. 479; Public Law 86–644);

(3) Sections 4361 and 4652 of title 39, United States Code.

(b) Section 4359(a) of title 39, United States Code, is amended by striking out "4358, 4361, and 4362" and inserting in lieu thereof "4358 and 4362".

(c) Section 4451(d) of title 39, United States Code, is amended by striking out "(a)(2)" and inserting in lieu thereof "(a)(3)".

COMMUNIST POLITICAL PROPAGANDA

SEC. 305. (a) Chapter 51 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"§ 4008. Communist political propaganda

"(a) Mail matter, except sealed letters, which originates or which is printed or otherwise prepared in a foreign country and which is determined by the Secretary of the Treasury pursuant to rules and regulations to be promulgated by him to be 'communist political propaganda', shall be detained by the Postmaster General upon its arrival for delivery in the United States, or upon its subsequent deposit in the United States domestic mails, and the addressee shall be notified that such matter has been received and will be delivered only upon the addressee's request, except that such detention shall not be required in the case of any matter which is furnished pursuant to subscription or which is otherwise ascertained by the Postmaster General to be desired by the addressee. If no request for delivery is made by the addressee within a reasonable time, which shall not exceed sixty days, the matter detained shall be disposed of as the Postmaster General directs.

"(b) For the purposes of this section, the term 'communist political propaganda' means political propaganda, as defined in section 1(j) of the Foreign Agents Registration Act of 1938, as amended (22 U.S.C. 611(j)), issued by or on behalf of any country with respect to which there is in effect a suspension or withdrawal of tariff concessions pursuant to section 5 of the Trade Agreements Extension Act of 1951 or section 231 of the Trade Expansion Act of 1962, or any country from which any type of foreign assistance is withheld pursuant to section 620(f) of the Foreign Assistance Act of 1961, as amended.

"(c) The provisions of this section shall not be applicable with respect to (1) matter addressed to any United States Government agency, or any

public library, or to any college, university, graduate school, or scientific or professional institution for advanced studies, or any official thereof, or (2) material whether or not 'communist political propaganda' addressed for delivery in the United States pursuant to a reciprocal cultural international agreement under which the United States Government mails an equal amount of material for delivery in any country described in subsection (b)."

(b) The table of contents of chapter 51 of title 39, United States Code, is amended by adding at the end thereof the following:

"4008. Communist political propaganda."

EFFECTIVE DATE

SEC. 306. Except as otherwise provided, the foregoing provisions of this part shall become effective on January 7, 1963.

NOTICE WITH RESPECT TO OBSCENE MATTER DISTRIBUTED BY MAIL AND DETENTION THEREOF

SEC. 307. In order to alert the recipients of mail and the general public to the fact that large quantities of obscene, lewd, lascivious, and indecent matter are being introduced into this country from abroad and disseminated in the United States by means of the United States mails, the Postmaster General shall publicize such fact (1) by appropriate notices posted in post offices, and (2) by notifying recipients of mail, whenever he deems it appropriate in order to carry out the purposes of this section, that the United States mails may contain such obscene, lewd, lascivious, or indecent matter. Any person may file a written request with his local post office to detain obscene, lewd, lascivious, or indecent matter addressed to him, and the Postmaster General shall detain and dispose of such matter for such period as the request is in effect. The Postmaster General shall permit the return of mail containing obscene, lewd, lascivious, or indecent matter, to local post offices, without cost to the recipient thereof. Nothing in this section shall be deemed to authorize the Postmaster General to open, inspect, or censor any mail except on specific request by the addressee thereof. The Postmaster General is authorized to prescribe such regulations as he may deem appropriate to carry out the purposes of this section.

PART II—FEDERAL SALARY REFORM

TITLE I—GENERAL POLICY

SHORT TITLE

SEC. 501. This part may be cited as the "Federal Salary Reform Act of 1962".

DECLARATION OF POLICY

SEC. 502. The Congress hereby declares that, whereas the functions of a Federal salary system are to fix salary rates for the services rendered by Federal employees so as to make possible the employment of persons well qualified to conduct the Government's programs and to control expenditures of public funds for personal services with equity to the employee and to the taxpayer, and whereas fulfillment of these functions is essential to the development and maintanance of maximum proficiency in the civilian

services of Government, then, accordingly, Federal salary fixing shall be based upon the principles that—

(a) There shall be equal pay for substantially equal work, and pay distinctions shall be maintained in keeping with work and performance distinctions; and

(b) Federal salary rates shall be comparable with private enterprise salary rates for the same levels of work.

Salary levels for the several Federal statutory salary systems shall be interrelated, and salary levels shall be set and henceforth adjusted in accordance with the above principles.

IMPLEMENTATION OF POLICY

SEC. 503. In order to give effect to the policy stated in section 502, the President: (1) shall direct such agency or agencies, as he deems appropriate, to prepare and submit to him annually a report which compares the rates of salary fixed by statute for Federal employees with the rates of salary paid for the same levels of work in private enterprise as determined on the basis of appropriate annual surveys conducted by the Bureau of Labor Statistics, and, after seeking the views of such employee organizations as he deems appropriate and in such manner as he may provide, (2) shall report annually to the Congress (a) this comparison of Federal and private enterprise salary rates and (b) such recommendations for revision of statutory salary schedules, salary structures, and compensation policy, as he deems advisable.

SEC. 504. (a) Whenever the President shall find that the salary rates in private enterprise for one or more occupations in one or more areas or locations are so substantially above the salary rates of statutory pay schedules as to handicap significantly the Government's recruitment or retention of well-qualified persons in positions compensated under (1) section 603(b) of the Classification Act of 1949, as amended (5 U.S.C. 1113(b)), (2) the provisions of part III of title 39, United States Code, relating to personnel in the postal field service, (3) the pay scales for physicians, dentists, and nurses in the Department of Medicine and Surgery of the Veterans' Administration under chapter 73 of title 38, United States Code, or (4) sections 412 and 415 of the Foreign Service Act of 1946, as amended (22 U.S.C. 867 and 870), he may establish for such areas or locations higher minimum rates of basic compensation for one or more grades or levels, occupational groups, series, classes, or subdivisions thereof, and may make corresponding increases in all step rates of the salary range for each such grade or level: Provided, That in no case shall any minimum salary rate so established exceed the seventh salary rate prescribed by law for the grade or level. The President may authorize the exercise of the authority conferred upon him by this section by the Civil Service Commission or, in the case of employees not subject to the civil service laws and regulations, by such other agency or agencies as he may designate.

(b) Within the limitations specified in subsection (a), rates of basic compensation established under such subsection may be revised from time to time by the President or by such agency or agencies as he may designate. Such actions or revisions shall have the force and effect of law.

(c) Any increase in rate of basic compensation established under this section shall not be regarded as an "equivalent increase" in compensation within the meaning of section 701(a) of the Classification Act of 1949, as amended, and section 3552 of title 39 of the United States Code.

SEC. 505. The functions, duties, and regulations of the departments and the Civil Service Commission with respect to this title, the Classification Act of 1949, as amended, the provisions of part III of title 39, United States Code, relating to personnel in the postal field service, the Foreign Service Act of 1946, as amended, and the provisions of chapter 73 of title 38 of the United States Code relating to personnel of the Department of Medicine and Surgery in the Veterans' Administration, shall be subject to such policies and rules as the President may issue. Among other things, the President's policies and rules mny provide for—

(1) preparing and reporting to him the annual comparison of Federal salary rates with private enterprise rates,

(2) obtaining and reporting to him the views of employee organizations on such annual comparison, and on other salary matters,

(3) reviewing and reporting to him on the adequacy of the Federal statutory salary structures for the Federal programs to which they apply,

(4) reviewing the relationship of Federal statutory salary rates and private enterprise salary rates in specific occupation and local areas, and

(5) providing step-increases in recognition of high quality performance and providing for properly relating supervisory salary rates paid under one system to those of subordinates paid under another system.

TITLE II—PAY SYSTEM OF THE CLASSIFICATION ACT OF 1949

SHORT TITLE

SEC. 601. This title may be cited as the "Classification Act Amendments of 1962".

BASIC COMPENSATION SCHEDULES

SEC. 602. (a) Section 603(b) of the Classification Act of 1949, as amended (74 Stat. 298; 5 U.S.C. 1113(b)), is amended to read as follows:

"(b) The compensation schedules for the General Schedule shall be as follows:

"COMPENSATION SCHEDULE I

"(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act, and ending immediately prior to the applicable initial effective date of Compensation Schedule II set forth below)

"Grade	Per annum rates and steps									
	1	2	3	4	5	6	7	8	9	10
GS-1	$3,245	$3,350	$3,455	$3,560	$3,665	$3,770	$3,875	$3,980	$4,085	$4,190
GS-2	3,560	3,665	3,770	3,875	3,980	4,085	4,190	4,295	4,400	4,505
GS-3	3,820	3,925	4,030	4,135	4,240	4,345	4,455	4,580	4,705	4,830
GS-4	4,110	4,250	4,390	4,530	4,670	4,810	4,950	5,090	5,230	5,370
GS-5	4,565	4,725	4,885	5,045	5,205	5,365	5,525	5,685	5,845	6,005
GS-6	5,035	5,205	5,375	5,545	5,715	5,885	6,055	6,225	6,395	6,565
GS-7	5,540	5,725	5,910	6,095	6,280	6,465	6,650	6,835	7,020	7,205
GS-8	6,090	6,295	6,500	6,705	6,910	7,115	7,320	7,525	7,730	7,935
GS-9	6,675	6,900	7,125	7,350	7,575	7,800	8,025	8,250	8,475	8,700
GS-10	7,290	7,535	7,780	8,025	8,270	8,515	8,760	9,005	9,250	9,495
GS-11	8,045	8,310	8,575	8,840	9,105	9,370	9,635	9,900	10,165	----
GS-12	9,475	9,790	10,105	10,420	10,735	11,050	11,365	11,680	11,995	----
GS-13	11,150	11,515	11,880	12,245	12,610	12,975	13,340	13,705	14,070	----
GS-14	12,845	13,270	13,695	14,120	14,545	14,970	15,395	15,820	16,245	----
GS-15	14,565	15,045	15,525	16,005	16,485	16,965	17,445	17,925	----	----
GS-16	16,000	16,500	17,000	17,500	18,000	----	----	----	----	----
GS-17	18,000	18,500	19,000	19,500	20,000	----	----	----	----	----
GS-18	20,000	----	----	----	----	----	----	----	----	----

"COMPENSATION SCHEDULE II

"(To be effective on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

"Grade	Per annum rates and steps									
	1	2	3	4	5	6	7	8	9	10
GS-1	$3,305	$3,410	$3,515	$3,620	$3,725	$3,830	$3,935	$4,040	$4,145	$4,250
GS-2	3,620	3,725	3,830	3,935	4,040	4,145	4,250	4,355	4,460	4,565
GS-3	3,880	3,985	4,090	4,195	4,300	4,405	4,525	4,650	4,775	4,900
GS-4	4,215	4,355	4,495	4,635	4,775	4,915	5,055	5,195	5,335	5,475
GS-5	4,690	4,850	5,010	5,170	5,330	5,490	5,650	5,810	5,970	6,130
GS-6	5,235	5,410	5,585	5,760	5,935	6,110	6,285	6,460	6,635	6,810
GS-7	5,795	5,990	6,185	6,380	6,575	6,770	6,965	7,160	7,355	7,550
GS-8	6,390	6,600	6,810	7,020	7,230	7,440	7,650	7,860	8,070	8,280
GS-9	7,030	7,260	7,490	7,720	7,950	8,180	8,410	8,640	8,870	9,100
GS-10	7,690	7,945	8,200	8,455	8,710	8,965	9,220	9,475	9,730	9,985
GS-11	8,410	8,690	8,970	9,250	9,530	9,810	10,090	10,370	10,650	--------
GS-12	9,980	10,310	10,640	10,970	11,300	11,630	11,960	12,290	12,620	--------
GS-13	11,725	12,110	12,495	12,880	13,265	13,650	14,035	14,420	14,805	--------
GS-14	13,615	14,065	14,515	14,965	15,415	15,865	16,315	16,765	17,215	--------
GS-15	15,665	16,180	16,695	17,210	17,725	18,240	18,755	19,270	--------	--------
GS-16	16,000	16,500	17,000	17,500	18,000	--------	--------	--------	--------	--------
GS-17	18,000	18,500	19,000	19,500	20,000	--------	--------	--------	--------	--------
GS-18	20,000	--------	--------	--------	--------	--------	--------	--------	--------	--------

".

(b) The rates of basic compensation of officers and employees to whom Compensation Schedule I of the General Schedule set forth in subsection (a) of this section applies shall, subject to the provisions of paragraph (10) of this subsection, be initially adjusted, effective on the first day of the first pay period beginning on or after the date of enactment of this Act, as follows:

(1) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the first, second, third, fourth, fifth, sixth, or seventh scheduled rate, or at the first or second longevity rate of a grade below grade 4 of the General Schedule of the Classification Act of 1949, as amended, he shall be advanced as follows: Employees in step 1 to step 2 of the new schedule; step 2 to step 3; step 3 to step 4; step 4 to step 5; step 5 to step 6; step 6 to step 7; step 7 to step 8; the first longevity step to step 9; and the second longevity step to step 10.

(2) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the third longevity rate of a grade below grade 4 of the General Schedule of the Classification Act of 1949, as amended, he shall receive basic compensation at the highest rate of the appropriate grade plus an amount equal to the value of the maximum within grade increment provided for that grade in effect on and after such day.

(3) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the first, second, third, fourth, fifth, sixth, or seventh scheduled rate, or at the first, second, or third longevity rate, of grade 4, 5, 6, 7, 8, 9, or 10 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, fifth, sixth, seventh, eighth, ninth, or tenth rate of the appropriate grade in effect on and after such day.

(4) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins

on or after the date of enactment of this Act at the first, second, third, fourth, fifth, or sixth scheduled rate, or at the first, second, or third longevity rate of grade 11, 12, 13, or 14 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, fifth, sixth, seventh, eighth, or ninth rate of the appropriate grade in effect on and after such day.

(5) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the first, second, third, fourth, or fifth scheduled rate, or at the first, second, or third longevity rate of grade 15 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, fifth, sixth, seventh, or eighth rate of such grade in effect on and after such day.

(6) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period, which begins on or after the date of enactment of this Act at the first, second, third, fourth, or fifth rate of grade 16 or grade 17 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, or fifth rate of the appropriate grade in effect on and after such day.

(7) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding rate of such grade in effect on and after such day.

(8) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at a rate between two scheduled or two longevity rates, or between a scheduled and a longevity rate, of a grade of the General Schedule, he shall receive a rate of basic compensation at the higher of the two corresponding rates, as specified in paragraphs (1) through (6) of this subsection, in effect on and after such day.

(9) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at a rate in excess of the maximum longevity rate for his grade, or in excess of the maximum scheduled rate for his grade if there is no longevity rate for his grade, he shall receive (A) the rate of the new schedule, in effect on and after such day, prescribed by paragraphs (1) through (6) of this subsection for employees at the maximum longevity rate or at the maximum scheduled rate, as the case may be, for his grade, or (B) if such rate is less than his existing rate, (i) the lowest rate of the new schedule or his grade which equals or exceeds his existing rate or (ii) if there is no such rate, his existing rate.

(10) Service of officers and employees performed immediately preceding the first day of the first pay period which begins on or after the date of enactment of this Act, in the grade of the General Schedule in which their respective positions were placed on such day, shall be counted toward not to exceed one step increase under the

time in grade provisions of subsection (a) of section 701 of the Classification Act of 1949 as amended by this Act.

(11) If the officer or employee, immediately prior to the first day of the first pay period which began on or after the date of enactment of this Act, is receiving, pursuant to paragraph (4) of section 2(b) of the Federal Employees Salary Increase Act of 1955, an existing aggregate rate of compensation determined under section 208(b) of the Act of September 1, 1954 (68 Stat. 1111; Public Law 763, Eighty-third Congress), plus the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, by section 2 of the Federal Employees Salary Increase Act of 1958, and by section 112 of the Federal Employees Salary Increase Act of 1960, he shall receive an aggregate rate of compensation equal to the sum of (A) his existing aggregate rate of compensation determined under such section 208(b) of the Act of September 1, 1954, (B) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, (C) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1958, (D) the amount of the increase provided by section 112 of the Federal Employees Salary Increase Act of 1960, and (E) the amount of the increase made by this section in the maximum rate of his grade, until (i) he leaves his position, or (ii) he is entitled to receive aggregate compensation at a higher rate by reason of the operation of this Act or any other provision of law; but, when such position becomes vacant, the aggregate rate of compensation of any subsequent appointee thereto shall be fixed in accordance with applicable provisions of law. Subject to clauses (i) and (ii) of the immediately preceding sentence of this paragraph, the amount of the increase provided by this section shall be held and considered for the purpose of section 208(b) of such Act of September 1, 1954, to constitute a part of the existing rate of compensation of such employee.

(c) The rates of basic compensation of officers and employees to whom Compensation Schedule II of the General Schedule set forth in subsection (a) of this section applies shall be initially adjusted, effective as of the first day of the first pay period beginning on or after January 1, 1964, as follows:

(1) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after January 1, 1964, at one of the rates of a grade in the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding rate in effect on and after such date.

(2) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after January 1, 1964, at a rate between two rates of a grade in the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the higher of the two corresponding rates in effect on and after such date.

(3) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after January 1, 1964, at a rate in excess of the maximum rate for his grade, as in effect on and after such date, he shall receive (A) the rate of the new schedule prescribed for employees at the maximum rate for his grade, or (B) his existing rate of basic compensation if such existing rate is higher.

(4) If the officer or employee, immediately prior to the first day of the first pay period which begins on or after January 1, 1964, is receiving, pursuant to paragraph (4) of section 2(b) of the Federal Employees Salary Increase Act of 1955, an existing aggregate rate of compensation determined under section 208(b) of the Act of September 1, 1954 (68 Stat. 1111; Public Law 763, Eighty-third Congress), plus the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, by section 2 of the Federal Employees Salary Increase Act of 1958, and by section 112 of the Federal Employees Salary Increase Act of 1960, and the amount of the initial increase provided by this section, he shall receive an aggregate rate of compensation equal to the sum of (A) his existing aggregate rate of compensation determined under such section 208(b) of the Act of September 1, 1954, (B) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, (C) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1958, (D) the amount of the increase provided by section 112 of the Federal Employees Salary Increase Act of 1960, and (E) the amount of the increase made by this section in the maximum rate of his grade, until (i) he leaves his position, or (ii) he is entitled to receive aggregate compensation at a higher rate by reason of the operation of this Act or any other provision of law; but, when such position becomes vacant, the aggregate rate of compensation of any subsequent appointee thereto shall be fixed in accordance with applicable provisions of law. Subject to clauses (i) and (ii) of the immediately preceding sentence of this paragraph, the amount of the increase provided by this section shall be held and considered for the purpose of section 208(b) of such Act of September 1, 1954, to constitute a part of the existing rate of compensation of such employee.

STEP-INCREASES

SEC. 603. Title VII of the Classification Act of 1949, as amended (5 U.S.C. 1121–1125), relating to step-increases under such Act, is amended to read as follows:

"TITLE VII—STEP-INCREASES

"SEC. 701. (a) Each officer or employee compensated on a per annum basis, and occupying a permanent position within the scope of the compensation schedules fixed by this Act, who has not attained the maximum rate of compensation for the grade in which his position is placed, shall be advanced in compensation successively to the next higher rate within the grade at the beginning of the next pay period following the completion of (1) each fifty-two calendar weeks of service in salary rates 1, 2, and 3, or (2) each one hundred and four calendar weeks of service in salary rates 4, 5, and 6, or (3) each one hundred and fifty-six calendar weeks of service in salary rates, 7, 8, and 9, subject to the following conditions:

"(A) That no equivalent increase in compensation from any cause was received during such period;

"(B) That his work is of an acceptable level of competence as determined by the head of the department; and

"(C) That the benefit of successive step-increases shall be preserved, under regulations issued by the Commission, for officers and employees whose continuous service is interrupted in the public interest by service with the Armed Forces or by service in essential non-Government civilian employment during a period of war or national emergency.

"(b) Any increase in compensation granted by law shall not be construed to be an equivalent increase in compensation within the meaning of subsection (a).

"SEC. 702. (a) Within the limit of available appropriations and in accordance with regulations prescribed by the Commission, the head of each department is authorized to grant additional step-increases in recognition of high quality performance above that ordinarily found in the type of position concerned. Step-increases under this section shall be in addition to those under section 701 and shall not be construed to be an equivalent increase in compensation within the meaning of subsection (a) of section 701.

"(b) No officer or employee shall be eligible under this section for more than one such additional step-increase within any period of fifty-two weeks.

"SEC. 703. This title shall not aply to the compensation of persons appointed by the President, by and with the advice and consent of the Senate."

GENERAL COMPENSATION RULES

SEC. 604. (a) Section 802(b) of the Classification Act of 1949, as amended (5 U.S.C. 1132(b)), relating to the salary to be received by an officer or employee who is promoted or transferred to a higher grade, is amended to reach as follows:

"(b) Any officer or employee who is promoted or transferred to a position in a higher grade shall receive basic compensation at the lowest rate of such higher grade which exceeds his existing rate of basic compensation by not less than two step-increases of the grade from which he is promoted or transferred. If, in the case of any officer or employee so promoted or transferred who is receiving basic compensation at a rate in excess of the maximum rate for his grade under any provision of law, there is no rate in such higher grade which is at least two step-increases above his existing rate of basic compensation, he shall receive (1) the maximum rate of such higher grade, or (2) his existing rate of basic compensation, if such existing rate is the higher. In case any such officer or employee so promoted or transferred is receiving basic compensation at a rate saved to him under section 507 of this Act upon reduction in grade, such officer or employee shall receive (A) basic compensation at a rate two steps above the rate which he would be receiving if such section 507 were not applicable in his case, or (B) his existing rate of basic compensation, if such existing rate is the higher."

(b) Section 802 of such Act is amended by adding at the end thereof a new subsection to read as follows:

"(d) The Commission may issue regulations governing the retention of the rate of basic compensation of an employee who together with his position is brought under this Act. If any such employee so entitled to receive a retained rate under regulations issued pursuant to this subsection is later demoted to a position under this Act, his rate of basic compensation shall be determined in accordance with section 507 of this Act, except

that service in the position which was brought under the Act shall, for purposes of section 507, be considered as service under this Act.".

(c) Section 803 of the Classification Act of 1949, as amended (5 U.S.C. 1133), is amended to read as follows:

"SEC. 803. Each employee in a position under this Act, who regularly has responsibility for supervision (including supervision over the technical aspects of the work concerned) over employees whose compensation is fixed and adjusted from time to time by wage boards or similar administrative authorities as nearly as is consistent with the public interest in accordance with prevailing rates, may, in accordance with regulations issued by the Commission, be paid at one of the scheduled rates for his grade which is above the highest rate of basic compensation being paid to any such prevailing-rate employee regularly supervised, or at the maximum rate for his grade, as provided for in such regulations.".

SALARY RETENTION

SEC. 605. Section 507 of the Classification Act of 1949, as amended (72 Stat. 830; 5 U.S.C. 1107), is amended—

(1) by striking out "(other than grade 16, 17, or 18 of the General Schedule)" in paragraph (1) of subsection (a) of such section; and

(2) by striking out "(B) in the same grade or in the same and higher grades;" in paragraph (4) of subsection (a) of such section; and by inserting in lieu thereof "(B) in any grade or grades higher than the grade to which demoted;".

TOP GRADE POSITIONS UNDER CLASSIFICATION ACT OF 1949

SEC. 606. (a) Section 505(b) of the Classification Act of 1949, as amended (5 U.S.C. 1105(b)), relating to the limitation on numbers of positions in grades 16, 17, and 18 of the General Schedule of such Act, is amended by striking out "not to exceed an aggregate of nineteen hundred and eighty-nine" and substituting in lieu thereof "not to exceed an aggregate of twenty-four hundred, in addition to any professional engineering positions primarily concerned with research and development and professional positions in the physical and natural sciences and medicine which may be placed in such grades".

(b) Section 505(j) of such Act is amended by inserting after the word "positions" the following: "(in addition to any professional engineering positions primarily concerned with research and development and professional positions in the physical and natural sciences and medicine which may be placed in such grades)".

(c) Section 505 of such Act is further amended by inserting after subsection (j) the following new subsections:

"(k) The Attorney General is authorized, without regard to any other provision of this section, to place a total of ten positions of Warden in the Bureau of Prisons in grade 16 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grade by subsection (b).

"(l) The Attorney General is authorized, without regard to any other provision of this section, to place a total of eight positions of Member of the Board of Parole in grade 17 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grade by subsection (b)."

CONFORMING CHANGES IN EXISTING LAW

SEC. 607. (a) The following provisions of law are hereby repealed:

(1) Section 104 of the Department of Commerce and Related Agencies Appropriation Act, 1956 (69 Stat. 234; 5 U.S.C. 592(d)), authorizing grade 17 of the General Schedule of the Classification Act of 1949 for the position of Budget Officer of the Department of Commerce so long as the position is held by the present incumbent.

(2) Section 206 of the Public Works Appropriation Act, 1956 (69 Stat. 360; 5 U.S.C. 483–2), authorizing the Secretary of the Interior to place the position of Director, Division of Budget and Finance, in grade 17 of the General Schedule established by the Classification Act of 1949 so long as the position is held by the present incumbent.

(3) The second paragraph under the heading "Administrative Provisions" in title III of the Public Works Appropriation Act, 1956 (69 Stat. 364, 10 U.S.C. 1335, note), authorizing the Chief of Engineers to place the position of Chief of the Programs Branch, Office of the Assistant Chief of Engineers for Civil Works, in grade 17 of the General Schedule established by the Classification Act of 1949 so long as the position is held by the present incumbent.

(4) Section 24(d) of the Area Redevelopment Act (75 Stat. 62, 42 U.S.C. 2521(d)), authorizing five positions in grades 16, 17, and 18 of the General Schedule established by the Classification Act of 1949 for agencies performing functions under that Act.

(5) The fourth sentence of section 3(a) of the Fish and Wildlife Act of 1956 (70 Stat. 1120; 16 U.S.C. 742b(a)), relating to the annual salary of the Commissioner of Fish and Wildlife in the Department of the Interior, which reads: "He shall receive compensation at the same rate as that provided for grade GS–18.".

(6) That part of section 207 of the Agricultural Act of 1956 (70 Stat. 200; 7 U.S.C. 1857), relating to the annual salary of an agricultural surplus disposal administrator in the Department of Agriculture, which reads: ", at a salary rate of not exceeding $15,000 per annum,".

(7) Section 1102 of the Classification Act of 1949, as amended (63 Stat. 971; 5 U.S.C. 1073), relating to the submission of reports with respect to the rates of compensation under, and the administration of, such Act.

(b) The second proviso of the paragraph under the heading "FEDERAL PRISON SYSTEM" and under the subheading "SALARIES AND EXPENSES, BUREAU OF PRISONS" in title II (the Department of Justice Appropriation Act, 1956) of the Departments of State and Justice, the Judiciary, and Related Agencies Appropriations Act, 1956 (69 Stat. 273; Public Law 133, Eighty-fourth Congress; 5 U.S.C. 298a) is amended by striking out "three positions" and inserting in lieu thereof "one position".

SEC. 608. (a) Each position specifically referred to in, or covered by, any repeal made by section 607(a) of this title shall be placed in the appropriate grade of the General Schedule of the Classification Act of 1949, as amended, in accordance with the provisions of such Act.

(b) Positions in grade 16, 17, or 18, as the case may be, of the General Schedule of the Classification Act of 1949, as amended, immediately prior to the effective date of this section, shall remain, on and after such effective date, in their respective grades, until appropriate action is taken under section 505 of the Classification Act of 1949 as in effect on and after such effective date.

SAVINGS PROVISIONS

SEC. 609. (a) The changes in existing law made by this title shall not affect any position existing immediately prior to the effective date of any such changes in existing law, the compensation attached to such position, and any incumbent thereof, his appointment thereto, and his entitlement to receive the compensation attached thereto, until appropriate action is taken in accordance with this title.

(b) The incumbent of each such position immediately prior to the effective date of this title shall continue to receive the rate of basic compensation which he was receiving immediately prior to such effective date until he leaves such position or until he is entitled to receive compensation at a higher rate in accordance with law. When such incumbent leaves such position, the rate of basic compensation of each subsequent appointee to such position shall be determined in accordance with the Classification Act of 1949, as amended.

EFFECTIVE DATES

SEC. 610. Except as otherwise expressly provided in this title, the provisions of this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

TITLE III—POSTAL FIELD SERVICE EMPLOYEES

SHORT TITLE

SEC. 701. This title may be cited as the "Postal Employees Salary Adjustment Act of 1962".

POSTAL FIELD SERVICE SCHEDULES

SEC. 702. Subsection (a) of section 3542 of title 39, United States Code, is amended to read as follows:

"(a) There are established basic compensation schedules for positions in the postal field service which shall be known as the Postal Field Service Schedules and for which the symbol shall be 'PFS'. Each such schedule shall be in effect for the period specified with respect to such schedule. Except as provided in sections 3543 and 3544 of this title, basic compensation shall be paid to all employees in accordance with these schedules.

"POSTAL FIELD SERVICE SCHEDULE I

"(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act, and ending immediately prior to the applicable initial effective date of the second PFS schedule set forth below)

"PFS	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
1	$3,595	$3,725	$3,855	$3,985	$4,115	$4,245	$4,375	$4,505	$4,635	$4,765	$4,895	$5,025
2	3,905	4,040	4,175	4,310	4,445	4,580	4,715	4,850	4,985	5,120	5,255	5,390
3	4,230	4,375	4,520	4,665	4,810	4,955	5,100	5,245	5,390	5,535	5,680	5,825
4	4,565	4,725	4,885	5,045	5,205	5,365	5,525	5,685	5,845	6,005	6,165	6,325
5	4,965	5,130	5,295	5,460	5,625	5,790	5,955	6,120	6,285	6,450	6,615	6,780
6	5,365	5,545	5,725	5,905	6,085	6,265	6,445	6,625	6,805	6,985	7,165	7,345
7	5,805	6,000	6,195	6,390	6,585	6,780	6,975	7,170	7,365	7,560	-------	-------
8	6,285	6,495	6,705	6,915	7,125	7,335	7,545	7,755	7,965	8,175	-------	-------
9	6,805	7,030	7,255	7,480	7,705	7,930	8,155	8,380	8,605	8,830	-------	-------
10	7,395	7,640	7,885	8,130	8,375	8,620	8,865	9,110	9,355	9,600	-------	-------
11	8,045	8,310	8,575	8,840	9,105	9,370	9,635	9,900	10,165	-------	-------	-------
12	8,840	9,135	9,430	9,725	10,020	10,315	10,610	10,905	11,200	-------	-------	-------
13	9,725	10,050	10,375	10,700	11,025	11,350	11,675	12,000	12,325	-------	-------	-------
14	10,705	11,060	11,415	11,770	12,125	12,480	12,835	13,190	13,545	-------	-------	-------
15	11,780	12,170	12,560	12,950	13,340	13,730	14,120	14,510	14,900	-------	-------	-------
16	12,955	13,385	13,815	14,245	14,675	15,105	15,535	15,965	-------	-------	-------	-------
17	14,260	14,730	15,200	15,670	16,140	16,610	17,080	17,550	-------	-------	-------	-------
18	15,500	16,000	16,500	17,000	17,500	18,000	18,500	-------	-------	-------	-------	-------
19	16,750	17,250	17,750	18,250	18,750	19,250	-------	-------	-------	-------	-------	-------
20	18,000	18,500	19,000	19,500	-------	-------	-------	-------	-------	-------	-------	-------

"POSTAL FIELD SERVICE SCHEDULE II

"(To be effective on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

"PFS	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
1	$3,690	$3,820	$3,950	$4,080	$4,210	$4,340	$4,470	$4,600	$4,730	$4,860	$4,990	$5,120
2	4,010	4,145	4,280	4,415	4,550	4,685	4,820	4,955	5,090	5,225	5,360	5,495
3	4,345	4,490	4,635	4,780	4,925	5,070	5,215	5,360	5,505	5,650	5,795	5,940
4	4,690	4,850	5,010	5,170	5,330	5,490	5,650	5,810	5,970	6,130	6,290	6,450
5	5,085	5,255	5,425	5,595	5,765	5,935	6,105	6,275	6,445	6,615	6,785	6,955
6	5,500	5,685	5,870	6,055	6,240	6,425	6,610	6,795	6,980	7,165	7,350	7,535
7	5,950	6,150	6,350	6,550	6,750	6,950	7,150	7,350	7,550	7,750	-------	-------
8	6,440	6,655	6,870	7,085	7,300	7,515	7,730	7,945	8,160	8,375	-------	-------
9	6,965	7,200	7,435	7,670	7,905	8,140	8,375	8,610	8,845	9,080	-------	-------
10	7,650	7,900	8,150	8,400	8,650	8,900	9,150	9,400	9,650	9,900	-------	-------
11	8,410	8,690	8,970	9,250	9,530	9,810	10,090	10,370	10,650	-------	-------	-------
12	9,270	9,575	9,880	10,185	10,490	10,795	11,100	11,405	11,710	-------	-------	-------
13	10,210	10,545	10,880	11,215	11,550	11,885	12,220	12,555	12,890	-------	-------	-------
14	11,240	11,610	11,980	12,350	12,720	13,090	13,460	13,830	14,200	-------	-------	-------
15	12,370	12,780	13,190	13,600	14,010	14,420	14,830	15,240	15,650	-------	-------	-------
16	13,625	14,075	14,525	14,975	15,425	15,875	16,325	16,775	-------	-------	-------	-------
17	15,000	15,495	15,990	16,485	16,980	17,475	17,970	18,465	-------	-------	-------	-------
18	15,500	16,000	16,500	17,000	17,500	18,000	18,500	-------	-------	-------	-------	-------
19	16,750	17,250	17,750	18,250	18,750	19,250	-------	-------	-------	-------	-------	-------
20	18,000	18,500	19,000	19,500	-------	-------	-------	-------	-------	-------	-------	-------

"

RURAL CARRIER SCHEDULES

SEC. 703. (a) Section 3543(a) of title 39, United States Code, is amended to read as follows:

"(a) There are established basic compensation schedules which shall be known as the Rural Carrier Schedules, and for which the symbol shall be 'RCS'. Each such schedule shall be in effect for the period specified with respect to such schedule.

"RURAL CARRIER SCHEDULE I

"(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act, and ending immediately prior to the applicable initial effective date of the second RCS Schedule set forth below)

	"Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
Carriers in rural delivery service:												
Fixed compensation per annum	$2,027	$2,127	$2,227	$2,327	$2,427	$2,527	$2,627	$2,727	$2,827	$2,927	$3,027	$3,127
Compensation per mile per annum for each mile up to 30 miles of route	75	77	79	81	83	85	87	89	91	93	95	97
For each mile of route over 30 miles	24	24	24	24	24	24	24	24	42	24	24	24

"RURAL CARRIER SCHEDULE II

"(To be effective for the period beginning on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

	"Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
Carriers in rural delivery service:												
Fixed compensation per annum	$2,080	$2,180	$2,280	$2,380	$2,480	$2,580	$2,680	$2,780	$2,880	$2,980	$3,080	$3,180
Compensation per mile per annum for each mile up to 30 miles of route	77	79	81	83	85	87	89	91	93	95	97	99
For each mile of route over 30 miles	25	25	25	25	25	25	25	25	25	25	25	25"

(b) Section 3543(c) of title 39, United States Code, is amended to read as follows:

"(c) The Postmaster General may pay such additional compensation as he may determine to be fair and reasonable in each individual case to rural carriers serving heavily patronized routes."

(c) The first sentence of section 3543(f) of title 39, United States Code, is amended to read as follows: "In addition to the compensation provided in the Rural Carrier Schedule, each rural carrier shall be paid for equipment maintenance a sum equal to—

"(1) 12 cents per mile for each mile or major fraction of a mile scheduled, or

"(2) $4.20 per day, whichever is greater."

(d) Section 3543 of title 39, United States Code, is amended by adding thereto new subsections (i) and (j) as follows:

"(i) Each person serving as a substitute of record on the effective date of this subsection shall be placed in step 2 of the Rural Carrier Schedule and he shall be advanced by step-increases, on the basis of time on the rolls prior to the effective date, in accordance with the schedule of step-increases provided in section 3552, except that no such person shall be so advanced to a step higher than the step to which a regular carrier with the same length of service would have advanced prior to such effective date. Thereafter, he shall be advanced by step-increases, pursuant to the provisions of sections 3552 and 3553 of this title. On and after the effective date of this subsection, each substitute rural carrier shall be paid the daily

rate, based on the step attained by him, for the route on which service is performed.

"(j) Each temporary rural carrier who, on the effective date of this subsection, is serving on a vacant route pending the appointment of a regular rural carrier shall be placed in step 2 and shall be advanced by step-increases on the basis of any prior substitute or temporary rural carrier service in accordance with the schedule of step-increases provided in section 3552."

FOURTH CLASS OFFICE SCHEDULES

SEC. 704. (a) Section 3544(a) of title 39, United States Code, is amended to read as follows:

"(a) There are established basic compensation schedules which shall be known as the Fourth Class Office Schedules, and for which the symbol shall be 'FOS', for postmasters in post offices of the fourth class. Each such schedule shall be in effect for the period specified with respect to such schedule. Each such schedule is based upon the gross postal receipts as contained in returns of the post office for the calendar year immediately preceding. Basic compensation shall be paid to postmasters in post offices of the fourth class in accordance with these schedules.

"FOURTH CLASS OFFICE SCHEDULE I

"(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act and ending immediately prior to the applicable initial effective date of the second FOS schedule set forth below)

"Gross receipts	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
$1,300 to $1,499.99	$3,277	$3,386	$3,495	$3,604	$3,713	$3,822	$3,931	$4,040	$4,149	$4,258	$4,367	$4,476
$900 to $1,299.99	3,003	3,102	3,201	3,300	3,399	3,498	3,597	3,696	3,795	3,984	3,993	4,992
$600 to $899.99	2,457	2,540	2,623	2,706	2,789	2,872	2,955	3,038	3,121	3,204	3,287	3,370
$350 to $599.99	1,911	1,973	2,035	2,097	2,159	2,221	2,283	2,345	2,407	2,469	2,531	2,593
$250 to $349.99	1,366	1,410	1,454	1,498	1,542	1,586	1,630	1,674	1,718	1,762	1,806	1,850
$200 to $249.99	1,092	1,128	1,164	1,200	1,236	1,272	1,308	1,344	1,380	1,416	1,452	1,488
$100 to $199.99	820	846	872	898	924	950	976	1,002	1,028	1,054	1,080	1,106
Under $100	545	562	579	596	613	630	647	664	681	698	715	732

"FOURTH CLASS SCHEDULE II

"(To be effective on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

"Cross receipts	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
$1,300 to $1,499.99	$3,426	$3,540	$3,654	$3,768	$3,882	$3,996	$4,110	$4,224	$4,338	$4,452	$4,566	$4,680
$900 to $1,299.99	3,140	3,243	3,346	3,449	3,552	3,655	3,758	3,861	3,964	4,067	4,170	4,273
$600 to $899.99	2,569	2,655	2,741	2,827	2,913	2,999	3,085	3,171	3,257	3,343	3,429	3,515
$350 to $599.99	1,998	2,068	2,128	2,193	2,258	2,323	2,388	2,453	2,518	2,583	2,648	2,713
$250 to $349.99	1,428	1,474	1,520	1,566	1,612	1,658	1,704	1,750	1,796	1,842	1,888	1,934
$200 to $249.99	1,142	1,179	1,216	1,253	1,290	1,327	1,364	1,401	1,438	1,475	1,512	1,549
$100 to $199.99	857	884	911	938	965	992	1,019	1,046	1,073	1,111	1,127	1,154
Under $100	569	588	607	626	645	664	683	702	721	740	759	778".

(b) Section 3544(b) of title 39, United States Code, is amended to read as follows:

"(b) The basic salary of postmasters in fourth-class post offices shall be readjusted for changes in gross receipts at the start of the first pay period after the beginning of each fiscal year. When a post office is

restored to a gross receipts category held by it prior to relegation to a lower gross receipts category, the postmaster's basic salary may be adjusted to the highest salary step held by him when the post office was in the higher gross receipts category. In all other cases, in adjusting a postmaster's basic salary under this section, the basic salary shall be fixed at the lowest step which is higher than the basic salary received by the postmaster at the end of the preceding fiscal year. If there is no such step the basic salary shall be fixed at the highest step for the adjusted gross receipts of the office. Each increase in basic salary because of change in gross receipts shall be deemed the equivalent of a step-increase under section 3552 of this title and the waiting period, for purposesof advancement to the next step, shall begin on the date of adjustment."

SEC. 705. Section 3552 of title 39, United States Code, is amended to read as follows:

"§ 3552. Automatic advancement by step increases

"(a)(1) Each employee in levels 1 through 6 of the Postal Field Service Schedule, each employee subject to the Rural Carrier Schedule, and each employee subject to the Fourth Class Office Schedule, who has not reached the highest step for his position, shall be advanced successively to the next higher step as follows:

"(A) To steps 2, 3, 4, 5, 6, and 7—at the beginning of the first pay period following the completion of fifty-two calendar weeks of satisfactory service; and

"(B) To steps 8 and above—at the beginning of the first pay period following the completion of one hundred and fifty-six calendar weeks of satisfactory service.

"(2) Each employee in the postal field service in level 7 or above of the Postal Field Service Schedule, who has not reached the highest step for his position, shall be advanced successively to the next higher step, as follows:

"(A) To steps 2, 3, and 4—at the beginning of the first pay period following the completion of fifty-two calendar weeks of satisfactory service;

"(B) To steps 5, 6, and 7—at the beginning of the first pay period following the completion of one hundred and four calendar weeks of satisfactory service; and

"(C) To steps 8 and above—at the beginning of the first pay period following the completion of one hundred and fifty-six calendar weeks of satisfactory service.

"(3) The receipt of an equivalent increase during any of the waiting periods specified in this subsection shall cause a new full waiting period to commence for further step-increases.

"(b) Any increase in basic compensation granted by law on or after the date of enactment of the Postal Employees Salary Adjustment Act of 1962, to employees in the postal field service shall not be deemed to be an equivalent increase in basic compensation within the meaning of subsection (a) of this section.

"(c) The benefit of successive step-increases shall be preserved, under regulations prescribed by the Postmaster General, for employees whose continuous service is interrupted by service in the armed services."

SEC. 706. Section 3554 of title 39, United States Code, is amended to read as follows:

"§ 3554. Compensation of certain temporary employees

"Temporary employees hired for a continuous period of one year or less for a position in the postal field service shall be paid basic compensation at the entrance step of the position to which they are appointed.".

SEC. 707. Section 3559 of title 39, United States Code, is amended to read as follows:

"§ 3559. Promotions

"An employee who is promoted to a position in the Postal Field Service Schedule which is not more than two salary levels above the salary level of the position from which promoted shall be paid basic compensation at the lowest step of the higher salary level which exceeds his existing basic compensation by not less than two steps of the salary level from which promoted. An employee who is promoted to a position in the Postal Field Service Schedule which is more than two salary levels above the level of the position from which promoted shall be paid basic compensation at the lowest step of the higher salary level which exceeds his existing basic compensation by not less than three steps of the salary level from which promoted. If there is no step in the salary level to which the employee is promoted which exceeds his existing basic compensation by at least the amount of the specified difference, the employee shall be paid the rate for the maximum step of the salary level to which promoted, or his existing basic compensation, whichever is higher.".

SEC. 708. Subsection (a)(4) of section 6402 of title 39, United States Code, is amended to read as follows:

> *"(4) delivery and collection service may not be established or extended under a star route contract on a rural route except when such rural route does not meet the minimum standards established by the Postmaster General, and becomes vacant, and".*

SEC. 709. Section 3101 of title 39, United States Code, is amended by deleting paragraphs (5) and (6), and inserting in lieu thereof, the following:

> *"(5) 'basic salary' and 'basic compensation' mean the rate of annual or hourly compensation specified by law, exclusive of overtime and night differential.".*

SEC. 710. Subsection 3541(d) of title 39, United States Code, is amended by (a) inserting in paragraph (3) thereof, after "rural carriers," the phrase "(other than substitute rural carriers,)" and (b) adding a new paragraph (5) as follows:

> *"(5) To compute the daily rate of basic compensation for substitute rural carriers, the annual rate of compensation shall be divided by 304.".*

CONVERSION AS OF THE FIRST PAY PERIOD BEGINNING ON OR AFTER THE DATE OF ENACTMENT OF THIS ACT

SEC. 711. (a) The basic compensation of each employee subject to Postal Field Service Schedule I or Rural Carrier Schedule I, as the case may be, on the effective date of such schedule shall be determined as follows:

> *(1) Each employee shall be assigned to the same numerical level and step he was in prior to the effective date of such schedule, except that employees in the first four levels of the Postal Field Service Schedule and employees (except employees subject to section 3543(j) of title 39, United States Code) in the Rural Carrier Schedule shall be advanced as follows: Employees in step 1 to step 2 of the new*

schedule; step 2 to step 3; step 3 to step 4; step 4 to step 5; step 5 to step 6; step 6 to step 7; step 7 to step 8. If changes in level or step would otherwise occur on the effective date of such schedule without regard to the enactment of such schedule, such changes shall be deemed to have occurred prior to conversion under this paragraph.

(2) In addition to conversion under paragraph (1) of this subsection, each employee shall be advanced one additional step for each longevity step which he had earned on or prior to such conversion.

(3) Credit toward the next step-increase (other than toward longevity steps) earned by an employee who had not reached step 7 or who is not advanced to step 7 under paragraph (1) prior to the effective date of such schedule shall be creditable under subsection 3552(a) and section 3553 of title 39, United States Code, toward further step-increases if no step-increases were granted pursuant to paragraph (2) of this subsection. Credit earned toward longevity step-increases prior to the effective date of such schedule shall not be creditable toward further step-increases pursuant to subsection 3552(a), and section 3553 of title 39, United States Code.

(b) The basic compensation of each postmaster subject to the Fourth Class Office Schedule I on the effective date of such schedule shall be determined as follows:

(1) Each postmaster shall be assigned to the same receipts category and numerical step he was in prior to the effective date of such schedule. If changes in receipts category or step would otherwise occur on the effective date of such schedule without regard to the enactment of such schedule, such changes in receipts category or step shall be deemed to have occurred prior to conversion.

(2) Postmasters who, as of the effective date of this schedule, have not reached step 7, shall retain credit for advancement to the next step under section 3552(a) and section 3553 of title 39, United States Code, if no step-increases are granted pursuant to paragraph 3 of this subsection. Credit earned toward longevity step-increases prior to the effective date of such schedule shall not be creditable toward further step-increases under section 3552(a) and section 3553 of title 39, United States Code.

(3) For each longevity step earned on or prior to the effective date of such schedule postmasters shall be advanced one step.

(c) If the existing basic compensation of any employee subject to the Postal Field Service Schedule, Rural Carrier Schedule, or Fourth Class Office Schedule, as the case may be, is greater than the rate established by subsection (a) or (b) of this section, he shall be placed in the first step of such schedule which exceeds his existing basic compensation; if the existing basic compensation is greater than any numerical step, his existing basic compensation shall be established as his basic compensation.

CONVERSION AS OF THE FIRST PAY PERIOD BEGINNING ON OR AFTER JANUARY 1, 1964

SEC. 712. The basic compensation of each employee subject to the Postal Field Service Schedule II, Rural Carrier Schedule II, or Fourth Class Office Schedule II, as the case may be, on the effective date of such schedule shall be determined as follows:

(1) Each employee shall be assigned to the same numerical step for his position which he had attained prior to the effective date of such schedule. If changes in levels, receipts categories, or steps

would otherwise occur on the effective date of such schedule without regard to enactment of such schedule, such changes shall be deemed to have occurred prior to conversion.

(2) If existing basic compensation is greater than the rate to which the employee is converted under paragraph (1) of this section, the employee shall be placed in the lowest step which exceeds his basic compensation; if the existing basic compensation exceeds the maximum step of his position, his existing basic compensation shall be established as his basic compensation.

SEC. 713. Subject to sections 711(c) and 712(2) of this title, rates of compensation fixed by reason of section 3560 of title 39, United States Code, shall not be increased by this title, notwithstanding any provision of such section to the contrary.

BASIC SALARY IN CASES OF ASSIGNMENTS OF POSTAL EMPLOYEES

SEC. 714. (a) Section 3335(b) of title 39, United States Code, is amended by adding at the end thereof the following sentence: "The Postmaster General may pay, as he deems advisable, in cases of such assignments, a basic salary computed in accordance with the provisions of such section 3559 without regard to the requirement in this subsection of assignment for more than thirty days in a calendar year.".

(b) Each payment of an increase in basic salary which was made prior to the date of enactment of this section for services performed for periods of thirty days or less in any calendar year in the course of an assignment referred to in section 3335(b) of title 39, United States Code, by a postal field service employee assigned to duties and responsibilities of a higher salary level, and which would have been authorized by such section 3335(b), if such services had been performed in the course of such assignment after the completion by such employee of thirty days of service in any calendar year in such higher salary level, are hereby validated to the same extent as if such services had been performed after the completion of thirty days of service in any calendar year in the course of such assignment. Payments of increases validated by this subsection shall be considered as basic salary for the purposes of the Civil Service Retirement Act (5 U.S.C. 2251–2267).

SALARY PROTECTION REVISION

SEC. 715. (a) Section 3560(a)(1) of title 39, United States Code, is amended to read as follows:

"(1) basic salary and salary level, with respect to the Postal Field Service Schedule,".

(b) Section 3560(b)(4) of title 39, United States Code, is amended to read as follows:

"(4) who, for two continuous years immediately prior to such reduction in salary standing, served in the postal field service with any salary standing higher than the salary standing to which he is reduced; and".

(c) Section 3560(c) of title 39, United States Code, is amended—

(1) by striking out the period at the end of paragraph (B) and inserting "; or" in lieu of such period, and

(2) by adding at the end of such section 3560(c) the following paragraph:

"(C) the amount of the rate in the lowest salary standing which such employee held during the two years immediately preceding such reduction in salary standing augmented by each step increase which he would have earned in such salary standing and by each increase provided by law in such salary rate.".

(d)(1) Subject to paragraph (2) of this section, the amendments made by this section to sections 3560(a)(1), 3560(b)(4), and 3560(c) of title 39, United States Code, shall apply only with respect to reductions in salary standing occurring on or after the date of enactment of this Act.

(2) Payments not authorized by section 3560 of title 39, United States Code, which were made prior to the date of enactment of this Act to employees in the postal field service in connection with reductions in salary standing and which would have been authorized under such section 3560 if the amendments made by this section to subsections (b)(4) and (c) of such section 3560 had been in effect at the time such payments were made, are hereby validated to the same extent as if such amendments had been in effect at such time.

RULES FOR SPECIAL COMPENSATION

SEC. 716. Chapter 41 of title 39, United States Code, is amended by adding immediately following section 3105 a new section 3106 as follows:

"§ 3106. Special compensation rules

"In order that the basic compensation schedules in sections 3542, 3543, and 3544 of this title may be used equitably and with maximum effect to attract and motivate employees, the Postmaster General may prescribe regulations pursuant to which he may, within the limit of available appropriations, grant to any officer or employee before the expiration of the periods prescribed by section 3552, step-increases in recognition of extra competence: Provided, That no officer or employee shall be eligible under this section for more than one such additional step-increase within any period of fifty-two weeks, and such increase shall not be considered to be an equivalent increase."

PERSONNEL REQUIREMENTS

SEC. 717. (a) Section 3301 of title 39, United States Code, is amended to read as follows:

"§ 3301. Personnel requirements

"The Postmaster General shall determine the personnel requirements of the postal field service, and fix the number of supervisors and other employees in that service, except that there may not be at any one time more than one assistant postmaster employed at any post office or a total of 70 employees assigned to salary levels 18, 19, and 20 in the postal field service."

(b) Section 1310(a) of the Act of November 1, 1951 (65 Stat. 757), as amended, which fixes a ceiling on permanent employees in the Federal Government, is amended by inserting after the word "Provided," the following: "That increases in the number of permanent personnel in the Postal Field Service not exceeding 10 per centum above the total number of its permanent employees on September 1, 1950, shall not be chargeable to this limitation: And provided further,".

CONFORMING AMENDMENT

SEC. 718. (a) The table of contents of chapter 41 of title 39, United States Code, is amended by adding after the heading entitled "EMPLOYEES GENERALLY", the following:

"3106. Special compensation rules".

(b) The table of contents of chapter 45 of title 39, United States Code, is amended by deleting "3558. Longevity step-increases".

REPEALS

SEC. 719. Sections 101 through 105 of the Act of July 1, 1960 (74 Stat. 296, Public Law 86–568), and section 3558 of title 39, United States Code, are repealed.

EFFECTIVE DATES

SEC. 720. Except as otherwise expressly provided in this title, the provisions of this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act, except that section 712 (conversion rules for second postal field service salary increases) shall become effective on the first day of the first pay period which begins on or after January 1, 1964.

TITLE IV—DEPARTMENT OF MEDICINE AND SURGERY IN THE VETERANS' ADMINISTRATION

SEC. 801. (a) Section 4103 of title 38 of the United States Code, relating to the appointment and annual salaries of the Chief Medical Director and certain other officers of the Department of Medicine and Surgery of the Veterans' Administration, is amended by striking out the words "not to exceed eight Assistant Chief Medical Directors" in subsection (a) and inserting in lieu thereof the words "not to exceed five Assistant Chief Medical Directors, such Medical Directors as may be designated to suit the needs of the Department,".

(b) Such section is further amended by striking out subsections (d) to (i), inclusive, and inserting in lieu thereof the following:

"(d) Each Assistant Chief Medical Director shall be appointed by the Administrator upon the recommendation of the Chief Medical Director and shall be paid a salary of $20,000 a year.

"One Assistant Chief Medical Director shall be a qualified doctor of dental surgery or dental medicine who shall be directly responsible to the Chief Medical Director for the operations of the Dental Service.

"(e) Medical Directors, during their period of service as such, shall be paid a salary of $18,500 minimum to $19,500 maximum a year.

"(f) The Director of Nursing Service shall be a qualified registered nurse, appointed by the Administrator, and shall be responsible to the Chief Medical Director for the operation of the Nursing Service. During the period of service as such, the Director of Nursing Service shall be paid, effective on the first day of the first pay period beginning on or after—

"the date of enactment of the Federal Salary Reform Act of 1962, a salary of $14,565 minimum to $17,925 maximum a year;

"January 1, 1964, a salary of $15,665 minimum to $19,270 maximum a year.

"(g) The Administrator may appoint a chief pharmacist and a chief dietitian. During the period of his service as such, the chief pharmacist

and the chief dietitian shall be paid, effective on the first day of the first pay period beginning on or after—

"the date of enactment of the Federal Salary Reform Act of 1962, a salary of $14,565 minimum to $17,925 maximum a year;

"January 1, 1964, a salary of $15,665 minimum to $19,270 maximum a year.

"(h) Except as provided in subsection (j), any appointment under this section shall be for a period of four years but persons so appointed shall be subject to removal by the Administrator for cause.

"(i) Reappointments may be made for successive like periods.

"(j) The Administrator may designate a member of the Chaplain Service of the Veterans' Administration as Director, Chaplain Service, for a period of two years, subject to removal by the Administrator for cause. During the period that any such member serves as Director, Chaplain Service, he shall be paid a salary, as determined by the Administrator, within the minimum and maximum salary limitations prescribed for grade GS–15 positions by the Classification Act of 1949, as amended. Redesignations under this subsection may be made for successive like periods. An individual designated as Director, Chaplain Service, shall at the end of his period of service as Director revert to the position, grade, and status which he held immediately prior to being designated Director, Chaplain Service, and all service as Director, Chaplain Service, shall be creditable as service in the former position."

PHYSICIANS, DENTISTS, AND NURSES

SEC. 802. Section 4107 of such title 38 relating to the minimum and maximum rates of annual salary of certain physicians, dentists, and nurses of the Department of Medicine and Surgery of the Veterans' Administration is amended to read as follows:

"§ 4107. Grades and pay scales

"(a)(1) Effective on the first day of the first pay period beginning on or after the date of enactment of the Federal Salary Reform Act of 1962, the grades and per annum full-pay ranges for positions provided in paragraph (1) of section 4104 of this title shall be as follows:

"PHYSICIAN AND DENTIST SCHEDULE

"Director grade, $16,000 minimum to $19,000 maximum.
"Executive grade, $15,250 minimum to $18,750 maximum.
"Chief grade, $14,565 minimum to $18,405 maximum.
"Senior grade, $12,845 minimum to $16,245 maximum.
"Intermediate grade, $11,150 minimum to $14,070 maximum.
"Full grade, $9,475 minimum to $11,995 maximum.
"Associate grade, $8,045 minimum to $10,165 maximum.

"NURSE SCHEDULE

"Assistant Director grade, $12,845 minimum to $16,245 maximum.
"Chief grade, $11,150 minimum to $14,070 maximum.
"Senior grade, $9,475 minimum to $11,995 maximum.
"Intermediate grade, $8,045 minimum to $10,165 maximum.
"Full grade, $6,675 minimum to $8,700 maximum.
"Associate grade, $5,820 minimum to $7,575 maximum.

"Junior grade, $5,035 minimum to $6,565 maximum.

"(2) Effective on the first day of the first pay period beginning on or after January 1, 1964, the per annum full pay ranges for positions provided in paragraph (1) of section 4104 of this title shall be as follows:

"PHYSICIAN AND DENTIST SCHEDULE

"Chief grade, $15,665 minimum to $19,785 maximum.
"Senior grade, $13,615 minimum to $17,215 maximum.
"Intermediate grade, $11,725 minimum to $14,805 maximum.
"Full grade, $9,980 minimum to $12,620 maximum.
"Associate grade, $8,410 minimum to $10,650 maximum.

"NURSE SCHEDULE

"Assistant director grade, $13,615 minimum to $17,215 maximum.
"Chief grade, $11,725 minimum to $14,805 maximum.
"Senior grade, $9,980 minimum to $12,620 maximum.
"Intermediate grade, $8,410 minimum to $10,650 maximum.
"Full grade, $7,030 minimum to $9,100 maximum.
"Associate grade, $6,090 minimum to $7,890 maximum.
"Junior grade, $5,235 minimum to $6,810 maximum.

"(b) No person may hold the director grade unless he is serving as a director of a hospital, domiciliary, center, or outpatient clinic (independent). No person may hold the executive grade unless he holds the position of chief of staff at a hospital, center, or outpatient clinic (independent), or the position of clinic director at an outpatient clinic, or comparable position."

SEC. 803. (a) Section 4108 of such title 38 which formerly prescribed the maximum amount of pay and allowances for medical, surgical, or dental specialists of the Department of Medicine and Surgery of the Veterans' Administration is amended, effective on the date of enactment of this Act, to read as follows:

"**§ 4108. Administration**

"Notwithstanding any law, Executive order, or regulation, the Administrator shall prescribe by regulation the hours and conditions of employment and leaves of absence of physicians, dentists, and nurses.".

(b) The table of contents of chapter 73 of such title 38 is amended by striking out

"4108. Specialist ratings."

and inserting in lieu thereof.

"4108. Administration."

DIRECTORS OF HOSPITALS, DOMICILIARIES, AND CENTERS

SEC. 804. Section 4111(b) of such title 38, relating to the annual salary of certain individuals serving as director of a hospital, domiciliary, or center, is amended, effective on the date of enactment of this Act, to read as follows:

"(b) Notwithstanding any other provision of law, the per annum salary rate of each individual serving as a director of a hospital, domiciliary, or center who is not a physician in the medical service shall not be

less than the rate of salary which he would receive under section 4107 of this title if his service as a director of a hospital, domiciliary, or center had been service as a physician in the director grade. This subsection shall not affect the allocation of any position of director of a hospital, domiciliary, or center to any grade of the General Schedule of the Classification Act of 1949, except with respect to changes in rate of salary pursuant to the preceding sentence, and shall not affect the applicability of the Performance Rating Act of 1950 to any individual."

SEC. 805. Except as otherwise expressly provided in this title, this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

TITLE V—FOREIGN SERVICE ACT OF 1946

SHORT TITLE

SEC. 901. This title may be cited as the "Foreign Service Salary Reform Act of 1962".

FOREIGN SERVICE OFFICERS

SEC. 902. The fourth sentence of section 412 of the Foreign Service Act of 1946, as amended (22 U.S.C. 867), is amended to read as follows:

"On the first day of the first pay period which begins on or after the date of enactment of the Foreign Service Salary Reform Act of 1962, the per annum salaries of Foreign Service officers within each of the other classes shall be as follows:

"Class 1	$18,975	$19,650					
Class 2	15,900	16,400	$16,900	$17,400	$17,900	$18,400	$18,900
Class 3	13,440	13,885	14,330	14,775	15,220	15,665	16,110
Class 4	11,150	11,515	11,880	12,245	12,610	12,975	13,340
Class 5	9,315	9,620	9,925	10,230	10,535	10,840	11,145
Class 6	7,705	7,960	8,215	8,470	8,725	8,980	9,235
Class 7	6,475	6,690	6,905	7,120	7,335	7,550	7,765
Class 8	5,540	5,725	5,910	6,095	6,280	6,465	6,650

"On the first day of the first pay period which begins on or after January 1, 1964, the per annum salaries of Foreign Service officers within each of the other classes shall be as follows:

"Class 1	$18,975	$19,650					
Class 2	15,900	16,400	$16,900	$17,400	$17,900	$18,400	$18,900
Class 3	14,265	14,735	15,205	15,675	16,145	16,615	17,085
Class 4	11,725	12,110	12,495	12,880	13,265	13,650	14,035
Class 5	9,695	10,015	10,335	10,655	10,975	11,295	11,615
Class 6	8,090	8,355	8,620	8,885	9,150	9,415	9,680
Class 7	6,810	7,035	7,260	7,485	7,710	7,935	8,160
Class 8	5,795	5,990	6,185	6,380	6,575	6,770	6,965"

FOREIGN SERVICE STAFF OFFICERS AND EMPLOYEES

SEC. 903. Section 415 of such Act is amended to read as follows:

"SEC. 415. (a) Effective on the first day of the first pay period which begins on or after the date of enactment of the Foreign Service Salary Reform Act of 1962, there shall be ten classes of Foreign Service staff officers and employees, referred to hereafter as staff officers and employees,

and the per annum salaries of staff officers and employees within each class shall be as follows:

"Class 1	$13,440	$13,885	$14,330	$14,775	$15,220	$15,665	$16,110	$16,555	$17,000	
Class 2	11,150	11,515	11,880	12,245	12,610	12,975	13,340	13,705	14,070	
Class 3	9,315	9,620	9,925	10,230	10,535	10,840	11,145	11,450	11,755	
Class 4	7,705	7,960	8,215	8,470	8,725	8,980	9,235	9,490	9,745	
Class 5	6,910	7,140	7,370	7,600	7,830	8,060	8,290	8,520	8,750	$8,980
Class 6	6,225	6,435	6,645	6,855	7,065	7,275	7,485	7,695	7,905	8,115
Class 7	5,610	5,800	5,990	6,180	6,370	6,560	6,750	6,940	7,130	7,320
Class 8	5,060	5,230	5,400	5,570	5,740	5,910	6,080	6,250	6,420	6,590
Class 9	4,575	4,725	4,875	5,025	5,175	5,325	5,475	5,625	5,775	5,930
Class 10	4,110	4,250	4,390	4,530	4,670	4,825	4,980	5,135	5,290	5,445

"On the first day of the first pay period which begins on or after January 1, 1964, the per annum salaries of staff officers and employees within each class shall be as follows:

"Class 1	$14,265	$14,735	$15,205	$15,675	$16,145	$16,615	$17,085	$17,555	$18,025	
Class 2	11,725	12,110	12,495	12,880	13,265	13,650	14,035	14,420	14,805	
Class 3	9,695	10,015	10,335	10,655	10,975	11,295	11,615	11,935	12,255	
Class 4	8,090	8,355	8,620	8,885	9,150	9,415	9,680	9,945	10,210	
Class 5	7,295	7,535	7,775	8,015	8,255	8,495	8,735	8,975	9,215	$9,455
Class 6	6,570	6,785	7,000	7,215	7,430	7,645	7,860	8,075	8,290	8,505
Class 7	5,890	6,085	6,280	6,475	6,670	6,865	7,060	7,255	7,450	7,645
Class 8	5,270	5,445	5,620	5,795	5,970	6,145	6,320	6,495	6,670	6,845
Class 9	4,715	4,870	5,025	5,180	5,335	5,490	5,645	5,800	5,955	6,110
Class 10	4,215	4,355	4,495	4,635	4,775	4,915	5,060	5,215	5,370	5,525

"(b) Notwithstanding the provisions of subsection (a) of this section, the Secretary may, under such regulations as he may prescribe, classify positions at levels below class 10, and establish salary rates therefor at lower rates than those prescribed by this section, for American employees recruited abroad who are not available or are not qualified for transfer to another post and who perform duties of a more routine nature than are generally performed at the class 10 level."

CONVERSION

SEC. 904. Foreign Service officers, Reserve officers, and Foreign Service staff officers and employees who are entitled to receive basic compensation immediately prior to the effective date of this title at one of the rates provided by section 412 or 415 of the Foreign Service Act of 1946, shall receive basic compensation on and after the effective date of this title at the rate of their class determined to be appropriate by the Secretary of State: Provided, That staff officers and employees shall be transferred to the new staff classes established by this Act as follows:

Present class under section 415 of the Foreign Service Act of 1946	*Corresponding new class under section 415 of the Foreign Service Act of 1946, as amended*
FSS– 1	FSS– 1
FSS– 2	FSS– 1
FSS– 3	FSS– 2
FSS– 4	FSS– 2
FSS– 5	FSS– 3
FSS– 6	FSS– 3
FSS– 7	FSS– 4
FSS– 8	FSS– 5
FSS– 9	FSS– 6
FSS–10	FSS– 7
FSS–11	FSS– 8
FSS–12	FSS– 9
FSS–13	FSS–10
FSS–14 and below	(1)

[1] *Remain at present class and salary rate until revised pursuant to new section 415(b).*

CONFORMING AMENDMENTS

SEC. 905. The heading of section 642 of the Foreign Service Act of 1946 is amended by deleting the words "and longevity" and section 642 is amended by deleting "(a)" in the first paragraph and by deleting subsection (b) in its entirety.

EFFECTIVE DATE

SEC. 906. Except as otherwise expressly provided in this title, this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

TITLE VI—MISCELLANEOUS SALARY PROVISIONS

REVISION OF SALARY LIMITATIONS FOR CERTAIN SCIENTIFIC AND PROFESSIONAL POSITIONS

SEC. 1001. (a)(1) Section 2(b) of the Act of August 1, 1947 (Public Law 313, Eightieth Congress, as amended (75 Stat. 789; 5 U.S.C. 1161–1163)), relating to the rates of compensation of certain scientific or professional positions, is amended to read as follows:

"(b) The per annum rates of compensation for positions established pursuant to the provisions of this Act shall not be less than the minimum rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act and shall be subject to the approval of the United States Civil Service Commission.".

(2) The first section of such Act is amended by adding at the end thereof the following new subsection:

"(g) the Librarian of Congress is authorized to establish and fix the compensation for not more than eight scientific or professional positions in the Library of Congress, each such position being established to carry out research and development functions of the Library which require the services of specially qualified personnel. Section 2(a) shall not apply to positions established under this subsection."

(b) Section 1581(b) of title 10 of the United States Code, relating to the rates of compensation of certain scientific or professional positions in the Department of Defense, is amended to read as follows:

"(b) Subject to the Civil Service Commission's approval as to rates, the Secretary may fix the compensation for positions established under subsection (a). However, the per annum compensation may not be less than the minimum rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act.".

(c) Section 4 of the Act of May 29, 1959 (73 Stat. 63; Public Law 86–36), as amended by section 204 of the Act of October 4, 1961 (75 Stat. 791; Public Law 87–367), authorizing scientific and professional positions in the National Security Agency, is amended by striking out ", as amended by paragraph (34)(B) of the first section of the Act of September 2, 1958 (72 Stat. 1456; Public Law 85–861)".

(d) The proviso contained in the first sentence of section 208(g) of the Public Health Service Act, as amended (42 U.S.C. 210(g)), relating to the rates of compensation of certain scientific, professional, and administrative personnel in the Public Health Service, is amended to read as follows: ": Provided, That the rates of compensation for positions

established pursuant to the provisions of this subsection shall not be less than the minimum rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act, and shall be subject to the approval of the Civil Service Commission.".

(e) The proviso contained in the second sentence of section 12 of the Act of May 29, 1884 (62 Stat. 198 as amended and supplemented; 21 U.S.C. 113a), authorizing the Secretary of Agriculture to employ and fix the compensation of technical experts and scientists for research and study of foot-and-mouth disease and other animal diseases, is amended to read as follows: ": Provided, That the number so employed shall not exceed five and that the maximum compensation for each shall not exceed the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended.".

(f) Section 203(b)(2) of the National Aeronautics and Space Act of 1958 (72 Stat. 429; 42 U.S.C. 2473(b)(2)), as amended, authorizing the Administrator of the National Aeronautics and Space Administration to establish and fix the compensation of four hundred and twenty-five scientific, engineering, and administrative positions, is amended by striking out, in the second sentence, ", except that (A) to the extent the Administrator deems such action necessary to the discharge of his responsibilities, he may appoint and fix the compensation (up to a limit of $19,000 a year, or up to a limit of $21,000 a year for a maximum of thirty positions) of" and by inserting in lieu thereof ", except that (A) to the extent the Administrator deems such action necessary to the discharge of his responsibilities, he may appoint and fix the compensation (at not to exceed the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended, or, for a maximum of thirty positions, not to exceed $21,000 a year) of".

(g) That part of the proviso in section 161d. of the Atomic Energy Act of 1954, as amended (71 Stat. 613; 42 U.S.C. 2201), fixing a limit of $19,000 on the compensation of scientific and technical personnel, is amended by striking out the words "up to a limit of $19,000)" and inserting in lieu thereof "up to a limit of the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended)".

(h) Section 302(f) of the Federal Aviation Act of 1958 (72 Stat. 746; 49 U.S.C. 1343(d)), as amended, authorizing the Administrator of the Federal Aviation Agency to select, employ, and fix the compensation of 23 positions at rates not to exceed $19,500 per annum, is amended by striking out "$19,500 per annum" and inserting in lieu thereof "the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended".

(i) Section 2 of the Act of June 14, 1948, as amended (62 Stat. 441; 66 Stat. 43; 22 U.S.C. 290a), relating to the compensation of the United States representative and alternate on the Executive Board of the World Health Organization, is amended by striking out "Such representative shall be entitled to receive compensation at a rate not to exceed $12,000 per annum and any such alternate shall be entitled to receive compensation at a rate not to exceed $10,000 per annum", and inserting in lieu thereof "Such representative and any such alternate shall each be entitled to receive compensation at one of the rates provided by section 412 of the Foreign Service Act of 1946, as amended,".

(j) Section 104(b) of the Mutual Educational and Cultural Exchange Act of 1961 (75 Stat. 530; Public Law 87–256) authorizing the fixing of

the compensation of not to exceed ten employees without regard to the Classification Act of 1949, is amended to read as follows:

"(b) The President is authorized to employ such other personnel as he deems necessary to carry out the provisions and purposes of this Act, and of such personnel not to exceed ten may be compensated without regard to the provisions of the Classification Act of 1949, as amended, but not in excess of the highest rate of grade 18 of the general schedule established by such Act. Such positions shall be in addition to the number authorized by section 505 of the Classification Act of 1949, as amended."

(k)(1) Section 625(b) of the Foreign Assistance Act of 1961 (75 Stat. 449; Public Law 87–195), as amended, is amended by striking out "and of these, not to exceed eight may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year" and inserting in lieu thereof "but not in excess of the highest rate of grade 18 of such general schedule".

(2) Section 625(c) of such Act is amended by striking out "and of these, not to exceed three may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year" and inserting in lieu thereof "but not in excess of the highest rate of grade 18 of such general schedule".

(l) Section 7(b) of the Peace Corps Act (75 Stat. 615; Public Law 87–293) is amended by striking out "and of these not to exceed two may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year" and inserting in lieu thereof "but not in excess of the highest rate of grade 18 of such general schedule".

AGRICULTURAL STABILIZATION AND CONSERVATION COUNTY COMMITTEE EMPLOYEES

SEC. 1002. The rates of compensation of persons employed by the county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) shall be increased by amounts equal, as nearly as may be practicable, to the increases provided by title II of this part for corresponding rates of compensation in the appropriate schedule or scale of pay.

ASSISTANT UNITED STATES ATTORNEYS

SEC. 1003. (a) The last paragraph of section 508 of title 28 of the United States Code is amended to read as follows:

"Assistant United States attorneys and attorneys appointed under section 503 of this title—not more than $17,500."

(b) The rates of basic compensation of assistant United States attorneys whose basic salaries are fixed by section 508 of title 28, United States Code, shall be increased by 7½ per centum effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

EMPLOYEES IN THE JUDICIAL BRANCH

SEC. 1004. (a) The rates of basic compensation of officers and employees in or under the judicial branch of the Government whose rates of compensation are fixed by or pursuant to paragraph (2) of subdivision a of section 62 of the Bankruptcy Act (11 U.S.C. 102(a)(2)), section

3656 of title 18 of the United States Code, the third sentence of section 603, section 604(a)(5), or section 672 to 675, inclusive, of title 28 of the United States Code, or section 107(a)(6) of the Act of July 31, 1956, as amended (5 U.S.C. 2206 (a)(6)), are hereby increased by two amounts, the first amount to be effective for the period beginning as of the first day of the first pay period which begins on or after the date of enactment of this Act, and ending immediately prior to the first day of the first pay period which begins on or after January 1, 1964, and the second amount to be effective on the first day of the first pay period which begins on or after January 1, 1964, and thereafter, which reflect the respective applicable increases provided by title II of this part in corresponding rates of compensation for officers and employees subject to the Classification Act of 1949, as amended.

(b) The limitations provided by applicable law on the effective date of this section with respect to the aggregate salaries payable to secretaries and law clerks of circuit and district judges are hereby increased by two amounts, the first amount to be effective for the period beginning as of the first day of the first pay period which begins on or after the date of enactment of this Act, and ending immediately prior to the first day of the first pay period which begins on or after January 1, 1964, and the second amount to be effective on the first day of the first pay period which begins on or after January 1, 1964, and thereafter, which reflect the respective applicable increases provided by title II of this part in corresponding rates of compensation for officers and employees subject to the Classification Act of 1949, as amended.

(c) Section 753(e) of title 28 of the United States Code (relating to the compensation of court reporters for district courts) is amended by striking out the existing salary limitation contained therein and inserting a new limitation to be effective for the period beginning as of the first day of the first pay period which begins on or after the date of enactment of this Act, and ending immediately prior to the first day of the first pay period which begins on or after January 1, 1964, and a second new limitation effective on the first day of the first pay period which begins on or after January 1, 1964, and thereafter, which reflect the respective applicable increases provided by title II of this part in corresponding rates of compensation for officers and employees subject to the Classification Act of 1949, as amended.

EMPLOYEES IN THE LEGISLATIVE BRANCH

SEC. 1005. (a) Each officer and employee in or under the legislative branch of the Government whose rate of compensation is increased by section 5 of the Federal Employees Pay Act of 1946 shall be paid additional compensation at the rate of 7 per centum of his gross rate of compensation (basic compensation plus additional compensation authorized by law).

(b) The basic compensation of each employee in the office of a Senator is hereby adjusted, effective on October 16, 1962, to the lowest multiple of $60 which will provide a gross rate of compensation not less than the gross rate such employee was receiving immediately prior thereto, except that the foregoing provisions of this subsection shall not apply in the case of any employee if on or before the fifteenth day following the date of enactment of this Act the Senator by whom such employee is employed notifies the disbursing office of the Senate in writing that he does not wish such provisions to apply to such employee. In any case in which, at the

expiration of the time within which a Senator may give notice under this subsection, such Senator is deceased such notice shall be deemed to have been given.

(c) Notwithstanding the provision referred to in subsection (d), the rates of gross compensation of the elected officers of the Senate (except the Presiding Officer of the Senate), the Legislative Counsel of the Senate, the Official Reporters of Debates of the Senate, the Parliamentarian of the Senate, the Senior Counsel in the Office of the Legislative Counsel of the Senate, and the Chief Clerk of the Senate are hereby increased by 7 per centum.

(d) The paragraph imposing limitations on basic and gross compensation of officers and employees of the Senate appearing under the heading "SENATE" in the Legislative Appropriation Act, 1956, as amended (74 Stat. 304; Public Law 86–568), is amended to read as follows:

"No officer or employee whose compensation is disbursed by the Secretary of the Senate shall be paid basic compensation at a rate in excess of $8,880 per annum, or gross compensation at a rate in excess of $18,880 per annum, unless expressly authorized by law."

(e) The limitation on gross rate per hour per person provided by applicable law on the effective date of this section with respect to the folding of speeches and pamphlets for the Senate is hereby increased by 7 per centum. The amount of such increase shall be computed to the nearest cent, counting one-half cent and over as a whole cent. The provisions of subsection (a) of this section shall not apply to employees whose compensation is subject to such limitation.

(f) Each officer or employee of the House of Representatives, whose compensation is disbursed by the Clerk of the House of Representatives and is not increased automatically, or is not permitted to be increased administratively, by reason of any other provision of this section, shall receive additional compensation at the rate of 7 per centum of the rate of his total annual compensation in effect immediately prior to the effective date of this section.

(g) The limitations on gross rate per thousand and gross rate per hour per person provided by applicable law on the effective date of this section with respect to the folding of speeches and pamphlets for the House of Representatives are hereby increased by 7 per centum. The amount of each such increase shall be computed to the nearest cent, counting one-half cent and over as a whole cent.

(h) The additional compensation provided by this section shall be considered a part of basic compensation for the purposes of the Civil Service Retirement Act (5 U.S.C. 2251 and the following).

(i) Notwithstanding any other provision of this section, no rate of compensation which exceeds $21,500 shall be increased by this section, and no increase provided by this section shall cause the gross rate of compensation (basic plus additional compensation authorized by law) or the total annual compensation of any officer or employee to exceed $21,500.

(j) Insofar as the provisions of this section apply to officers and employees whose compensation is based on a monthly pay period which begins on the first day of the month, such provisions shall become effective on October 16, 1962.

SAVING PROVISION

SEC. 1006. Notwithstanding any provision of this Act, no rate of basic, gross, or total annual compensation or salary shall be reduced by reason of the enactment of this Act.

ABSORPTION OF COSTS

SEC. 1007. (a) The departments, agencies, establishments, and corporations in the executive branch shall absorb the costs of the increases in basic compensation provided by this Act to the fullest extent possible without seriously affecting the immediate execution of essential functions.

(b) No request for additional or supplemental appropriations to meet the increases in basic compensation provided by this Act shall be transmitted to the Congress unless it is accompanied by a certification of the Director of the Bureau of the Budget that the amounts requested are necessary to provide for the continued execution of essential functions of the department, agency, or corporation concerned.

(c) Pursuant to the objective of this section, heads of the executive branch activities concerned are directed to review with meticulous care each vacancy resulting from voluntary resignation, retirement, or death and to determine whether the duties of the position can be reassigned to other employees or whether the position can be abolished without seriously affecting the execution of essential functions.

(d) Nothing contained in subsection (a) of this section shall be held or considered to require (1) the separation from the service of any individual by reduction in force or other personnel action or (2) the placing of any individual in a leave-without-pay status.

EFFECTIVE DATE

SEC. 1008. Except as otherwise expressly provided, this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

CEILING PROVISION

SEC. 1009. Except as provided in section 1005, no rate of compensation which exceeds $20,000 per annum shall be increased or established by or pursuant to this Act and no increase made by or pursuant to this Act shall cause any rate of compensation to exceed $20,000 per annum.

PART III—ADJUSTMENT OF ANNUITIES

SEC. 1101. (a) The annuity of each person who, on the effective date of this section, is receiving or entitled to receive an annuity from the civil service retirement and disability fund shall be increased by 5 per centum of the amount of such annuity.

(b) The annuity of each person who receives or is entitled to receive an annuity from the civil service retirement and disability fund commencing during the period which begins on the day following the effective date of this section and ends five years after such date, shall be increased in accordance with the following table:

If the annuity commences between—	*The annuity shall be increased by—*
January 2, 1963, and December 31, 1963	*4 per centum*
January 1, 1964, and December 31, 1964	*3 per centum*
January 1, 1965, and December 31, 1965	*2 per centum*
January 1, 1966, and December 31, 1966	*1 per centum*

(c) In lieu of any other increase provided by this section, the annuity of a survivor of a retired employee or Member of Congress who received an increase under this section shall be increased by a percentage equal to the

percentage by which the annuity of such employee or Member was so increased.

(d) No increase provided by this section shall be computed on any additional annuity purchased at retirement by voluntary contributions.

(e) The limitation reading "or (3) the sum necessary to increase such annuity, exclusive of annuity purchased by voluntary contributions under the second paragraph of section 10 of this Act, to $2,160" contained in section 8(c)(1) of the Civil Service Retirement Act of May 29, 1930, as amended by the Acts of July 16, 1952 (66 Stat. 722; Public Law 555, Eighty-second Congress), and August 31, 1954 (68 Stat. 1043; Public Law 747, Eighty-third Congress), shall not be effective on or after the effective date of this section.

(f) The limitation contained in the next to the last sentence of section 8(d)(1) of the Civil Service Retirement Act of May 29, 1930, as amended, as enacted by the Act of August 11, 1955 (69 Stat. 692; Public Law 369, Eighty-fourth Congress), shall not be effective on and after the effective date of this section.

(g) The increases provided by this section shall take effect on the effective date of this section, except that any increase under subsection (b) or (c) shall take effect on the beginning date of the annuity.

(h) The monthly installment of annuity after adjustment under this section shall be fixed at the nearest dollar.

Sec. 1102. (a) Section 1 of the Civil Service Retirement Act is amended by adding at the end thereof the following new subsection:

"(t) The term 'price index' shall mean the annual average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics."

(b) Such Act is further amended by redesignating section 18 as 19, and by inserting after section 17 the following new section:

"COST-OF-LIVING ADJUSTMENT OF ANNUITIES

"Sec. 18. (a) After January 1, 1964, and after each succeeding January 1, the Commission shall determine the per centum change in the price index from the later of 1962 or the year preceding the most recent cost-of-living adjustment to the latest complete year. On the basis of such Commission determination, the following adjustments shall be made:

"(1) Effective April 1, 1964, if the change in the price index from 1962 to 1963 shall have equaled a rise of at least 3 per centum, each annuity payable from the fund which has a commencing date earlier than January 2, 1963, shall be increased by the per centum rise in the price index adjusted to the nearest one-tenth of 1 per centum.

"(2) Effective April 1 of any year other than 1964 after the price index change shall have equaled a rise of at least 3 per centum, each annuity payable from the fund which has a commencing date earlier than January 2 of the preceding year shall be increased by the per centum rise in the price index adjusted to the nearest one-tenth of 1 per centum.

"(b) Eligibility for an annuity increase under this section shall be governed by the commencing date of each annuity payable from the fund as of the effective date of an increase, except as follows:

"(1) Effective from the date of the first increase under this section, an annuity payable from the fund to an annuitant's survivor (other

than a child entitled under section 10(d)), which annuity commenced the day after the annuitant's death, shall be increased as provided in subsection (a)(1) or (a)(2) if the commencing date of annuity to the annuitant was earlier than January 2 of the year preceding the first increase.

"(2) Effective from its commencing date, an annuity payable from the fund to an annuitant's survivor (other than a child entitled under section 10 (d)), which annuity commences the day after the annuitant's death and after the effective date of the first increase under this section, shall be increased by the total per centum increase the annuitant was receiving under this section at death.

"(3) For purposes of computing an annuity which commences after the effective date of the first increase under this section to a child under section 10(d), the items $600, $720, $1,800, and $2,160 appearing in section 10(d) shall be increased by the total per centum increase allowed and in force under this section, and, in case of a deceased annuitant, the items 40 per centum and 50 per centum appearing in section 10(d) shall be increased by the total per centum increase allowed and in force under this section to the annuitant at death. Effective from the date of the first increase under this section, the provisions of this paragraph shall apply as if such first increase were in effect with respect to computation of a child's annuity under section 10(d) which commenced between January 2 of the year preceding the first increase and the effective date of the first increase.

"(c) No increase in annuity provided by this section shall be computed on any additional annuity purchased at retirement by voluntary contributions.

"(d) The monthly installment of annuity after adjustment under this section shall be fixed at the nearest dollar."

SEC. 1103. (a) Section 9(g) of the Civil Service Retirement Act is amended to read as follows:

"(g) The annuity as hereinbefore provided (excluding any increase because of retirement under section 7) for any married employee or Member retiring under this Act, or any portion of such annuity designated in writing for purposes of section 10(a)(1), shall be reduced by 2½ per centum of so much thereof as does not exceed $3,600 and by 10 per centum of so much thereof as exceeds $3,600, unless the employee or Member notifies the Commission in writing at the time of retirement that he does not desire his wife or husband to receive an annuity as provided in section 10(a)(1)."

(b) Section 10(a)(1) of such Act is amended to read as follows:

"(1) If an employee or Member dies after having retired under any provision of this Act and is survived by a wife or husband to whom the employee or Member was married at the time of retirement, such wife or husband shall be paid an annuity equal to 55 per centum of an annuity computed as provided in subsections (a), (b), (c), (d), (e), and (f) of section 9, as may apply with respect to the annuitant, or of such portion thereof as may have been designated in writing for such purpose by the employee or Member at the time of retirement, unless the employee or Member has notified the Commission in writing at the time of retirement that he does not desire his wife or husband to receive such annuity."

(c) Section 10(b) of such Act is amended by striking out "50 per centum" and inserting in lieu thereof "55 per centum".

(d) Section 10(c) of such Act is amended by striking out "50 per centum" and inserting in lieu thereof "55 per centum".

(e) Section 10(e) of such Act is amended by striking out "50 per centum" and inserting in lieu thereof "55 per centum".

(f)(A) Section 1(j) of the Civil Service Retirement Act is amended by substituting a comma for the period at the end thereof and adding the following: "or such unmarried child between eighteen and twenty-one years of age who is a student regularly pursuing a full-time course of study or training in residence in a high school, trade school, technical or vocational institute, junior college, college, university, or comparable recognized educational institution. A child whose twenty-first birthday occurs prior to July 1 or after August 31 of any calendar year, and while he is regularly pursuing such a course of study or training, shall be deemed for the purposes of this paragraph and section 10(d) to have attained the age of twenty-one on the first day of July following such birthday. A child who is a student shall not be deemed to have ceased to be a student during any interim between school years if the interim does not exceed four months and if he shows to the satisfaction of the Commission that he has a bona fide intention of continuing to pursue a course of study or training in the same or different school during the school semester (or other period into which the school year is divided) immediately following the interim."

(B) The third sentence of section 10(d) of the Act is amended to read as follows: "The child's annuity shall commence on the day after the employee or Member dies, and such annuity granted under this Act or under the Act of May 29, 1930, as amended from and after February 28, 1948, or any right thereto shall terminate on the last day of the month before (1) his attaining age eighteen unless incapable of self-support, age (2) his becoming capable of self-support after eighteen, (3) his marriage, or (4) his death, except that the annuity of a child who is a student as described in section 1(j) shall terminate on the last day of the month before (1) his marriage, (2) his death, (3) his ceasing to be such a student, or (4) his attaining age twenty-one."

SEC. 1104. Section 1101 of this part shall take effect on January 1, 1963. The amendments made by section 1103 (except subsection (f)) shall not apply in the case of employees or Members retired or otherwise separated prior to the date of enactment of this Act, and the rights of such persons and their survivors shall continue in the same manner and to the same extent as if these amendments had not been enacted.

And the Senate agree to the same.

TOM MURRAY,
JAMES H. MORRISON,
ROBERT J. CORBETT,
Managers on the Part of the House.

OLIN D. JOHNSTON,
MIKE MONRONEY,
FRANK CARLSON,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7927) entitled "An act to adjust postal rates, and for other purposes," submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The committee of conference recommends that the House recede from its disagreement to the amendment of the Senate with an amendment which is a substitute for both the text of the House bill and the text provided by the Senate amendment and that the Senate agree to the same.

The text of the House bill related only to postal rates.

The Senate amendment to the House text consisted of three parts.

Part I of the Senate amendment, consisting of three titles, related to postal rates. Title I of part I covered postal rate increases. Title II of part I contained amendments to the postal policy provisions of the postal laws. Title III of part I contained certain miscellaneous amendments to the postal laws.

Part II of the Senate amendment, consisting of six titles, related to Federal salary reform. Title I of part II contained a statement of policy with respect to Federal salary reform. Title II of part II contained provisions revising the pay system of the Classification Act of 1949, as amended. Title III of part II revised the compensation schedules of title 39, United States Code, and contained certain related provisions, with respect to postal field service employees. Title IV of part II of the Senate amendment contained salary increases for physicians, dentists, and nurses, and other personnel of the Department of Medicine and Surgery of the Veterans' Administration. Title V of part II revised the salary rates for personnel in the Foreign Service under the Department of State prescribed by the Foreign Service Act of 1946, as amended. Title VI of part II contains certain miscellaneous salary provisions which, in effect, revise the compensation rates for the following groups of employees: (1) certain scientific and professional employees; (2) agricultural stabilization and conservation county committee employees; (3) assistant U.S. attorneys; (4) employees in the judicial branch; (5) employees in the legislative branch.

Part III of the Senate amendment contained provisions making adjustments in annuities under the Civil Service Retirement Act, as amended.

The conference substitute, with the exceptions to be noted, is in general the same as the Senate amendment. Except for technical and minor drafting changes, the differences between the text of the House bill and the conference substitute are discussed below.

Summary of Major Provisions of Conference Substitute

INCREASED POSTAL REVENUE

Postal revenue will be increased by $600.3 million per annum when all of the postal rate adjustments provided by part I of the conference substitute are placed in effect. Such increased revenue and the public service policy provisions of the conference substitute will—when adjustment in rates and conditions of mailability of fourth-class mail for which the Postmaster General has petitioned the Interstate Commerce Commission (as required by law) shall be approved—eliminate the postal deficit.

Such increased postal revenue provided by part I of the conference substitute is approximately $20 million less than the aggregate annual increased postal revenue of $620 million which would have been provided by the postal rate adjustment bill recommended to the House of Representatives by the Postmaster General and presented for consideration by the chairman of the House Committee on Post Office and Civil Service on January 23, 1962.

A table comparing present and proposed postal rates follows:

Comparison of present and proposed postal rates (new revenues based on 1963 volume)

[New revenues based on 1963 volume]

Mail class	Postage rate unit	Present rate	First year (1963)		Second year (1964)		Third year (1965)	
			Rate	New revenues	Rate	New revenues	Rate	New revenues
				Millions		*Millions*		*Millions*
First class:								
Letters	Per ounce	4 cents	5 cents	$409.6	5 cents	$409.6	5 cents	$409.6
Drop letters	do	3 cents	4 cents	1.8	4 cents	1.8	4 cents	1.8
Cards	Per card	3 cents	4 cents	26.4	4 cents	26.4	4 cents	26.4
Total				437.8		437.8		437.8
Airmail:								
Letters	Per ounce	7 cents	8 cents	16.0	8 cents	16.0	8 cents	16.0
Cards	Per card	5 cents	6 cents	.3	6 cents	.3	6 cents	.3
Parcel post	Per pound	By zones [1]	(1) (2)	4.9	(1) (2)	4.9	(1) (2)	4.9
Total				21.2		21.2		21.2
Second class:								
In-county:								
Free mail	Per pound	Free	1 cent (lb.)	.9	1 cent (lb.)	.9	1¼ cents (lb.)	1.5
Pound-rate matter	do	1 cent	⅛ cent (min.)		⅛ cent (min.)		⅛ cent (min.)	
	Minimum per copy	⅛ cent						
Per-copy-rate matter	Per copy	1 cent or 2 cents.	Present rates	.3	Present rates	.3	Present rates	.3
Outside county:								
Regular publications:			3 annual 4 percent increases					
Editorial	Per pound	2½ cents	2.6 cents (lb.)		2.7 cents (lb.)		2.8 cents (lb.)	
Advertising:			3 annual 10 percent increases (adjusted)					
Zones 1 and 2	do	3 cents	3.4 cents (lb.)		3.8 cents (lb.)		4.2 cents (lb.)	
Zone 3	do	4 cents	4.4		4.8		5.2	
Zone 4	do	6 cents	6.4		6.8		7.2	
Zone 5	do	8 cents	8.4	6.4	8.8	14.2	9.2	22.6
Zone 6	do	10 cents	10.4		10.8		11.2	
Zone 7	do	12 cents	12.0		12.0		12.0	
Zone 8	do	14 cents	14.0		14.0		14.0	
	Minimum per copy	½ cent	0.6 cent (min.) [4]		0.8 cent (min.) [4]		1 cent (min.) [4]	
Nonprofit publications	Per pound	1½ cents	1.6 cents (lb.)	.8	1.7 cents (lb.)	.6	1.8 cents (lb.)	.9
	Minimum per copy	⅛ cent	⅛ cent (min.)		⅛ cent (min.)		⅛ cent (min.)	

			60 percent of regular rates							
Classroom publications:										
Editorial	Per pound	1½ cents								
Advertising:										
Zones 1 and 2	do	1½ cents								
Zone 3	do	2 cents								
Zone 4	do	3 cents								
Zone 5	do	4 cents		.3		.6				1.0
Zone 6	do	5 cents								
Zone 7	do	6 cents								
Zone 8	do	7 cents								
	Minimum per copy	⅛ cent								
Transient rate	1st 2 ounces	2 cents	4 cents	1.1	4 cents	1.1	4 cents			1.1
	Each additional ounce	1 cent	1 cent		1 cent		1 cent			
Fees:										
Original entry—circulation under 2,000		$25	$30		$30		$30			
Original entry—circulation 2,000–5,000		$50	$60		$60		$60			
Original entry—circulation over 5,000		$100	$120	.03	$120	.03	$120			.03
Reentry		$10	$10		$10		$10			
Additional entry		$10	$15 (zones 3–8, $50)		$15 (zones 3–8, $50)		$50 (zones 3–8, $50)			
News agent registry		$20	$25		$25		$25			
Total				9.3		17.7				27.4
Controlled circulation	Per pound	12 cents	12½ cents	.3	13 cents	.6	13½ cents			1.0
	Minimum per piece	1 cent	1 cent		1 cent		1 cent			
Total				.3		.6				1.0
Third class:										
Single piece	1st 2 ounces	3 cents	4 cents	34.5	4 cents	34.5	4 cents			34.5
	Each additional ounce	1½ cents	2 cents	10.3	2 cents	10.3	2 cents			10.3
Bulk rate:										
Regular:										
Circulars, etc	Per pound	16 cents	18 cents	3.1	18 cents	3.1	18 cents			3.1
	Minimum per piece	2½ cents	2⅝ cents	13.2	2⅝ cents	26.3	2⅞ cents			39.5
Books, catalogs, etc	Per pound	10 cents	12 cents	3.9	12 cents	3.9	12 cents			3.9
	Minimum per piece	2½ cents	2⅝ cents	.5	2⅝ cents	1.0	2⅞ cents			1.5
Nonprofit:										
Circulars, etc	Per pound	16 cents	9 cents		9 cents		9 cents			
	Minimum per piece	1¼ cents	1¼ cents	−1.7	1¼ cents	−1.7	1¼ cents			−1.7
Books, catalogs, etc	Per pound	10 cents	6 cents		6 cents		6 cents			
	Minimum per piece	1¼ cents	1¼ cents		1¼ cents		1¼ cents			
Bulk mailing fee	Calendar year	$20	$30	2.6	$30	2.6	$30			2.6
Total				66.4		80.0				93.7

See footnotes at end of table, p. 48.

Comparison of present and proposed postal rates (new revenues based on 1963 volume)—Continued

Mail class	Postage rate unit	Present rate	First year (1963)		Second year (1964)		Third year (1965)	
			Rate	New revenues	Rate	New revenues	Rate	New revenues
				Millions		*Millions*		*Millions*
Fourth class:								
Educational materials	1st pound	9 cents	9½ cents	$0.5	10 cents	$1.0	10 cents	$1.0
	Each additional pound	5 cents	5 cents		5 cents		5 cents	
Library materials	1st pound	4 cents	Present rates		Present rates		Present rates	
	Each additional pound	1 cent						
Total				.5		1.0		1.0
Keys, etc	Each 2 ounces	5 cents	6 cents	.1	6 cents	.1	6 cents	.1
Federal Government mail	Applicable class rates			20.5		21.0		21.0
Permit fees for mailing without stamps		$10	$15	.2	$15	.2	$15	.2
Mail mix adjustment				−3.0		−3.0		−3.0
Total new postal revenues, all classes				553.2		576.5		600.3
Estimated public service allowances				[3] 375.0		[3] 374.0		[3] 373.0

[1] Air parcel post law requires payment of not less than 1st-class rates for 1st class sent by air.

[2] Present parcel post schedule plus 8 cents per piece. First-class matter above 8 ounces, 64 cents for first 8 ounces plus 5 cents for each additional ounce or the published parcel post rate if higher.

[3] Consists of total loss on free and reduced rate mail, additional public service on in-county mail, and the amount deemed attributable to third- and fourth-class post offices and rural and star routes.

[4] When number of copies mailed for delivery outside the county is fewer than 5,000, the minimum per copy is ½ cent.

On magazines containing less than 5 percent advertising the minimum charge per copy is 0.55 of a cent during 1963, 0.65 of a cent during 1964, and 0.75 of a cent thereafter.

SALARY INCREASES

Part II of the conference substitute places in effect major provisions of the Federal statutory salary reform proposal submitted to the Congress by the President earlier in the current session. The essential requirements of comparability of Federal and private enterprise salary rates, internal alinement of Federal salary schedules, and annual review and adjustment of salaries recommended by the President are provided by part II of the conference substitute. The chief differences between such part of the conference substitute and the President's recommendations are (1) salary adjustments under the conference substitute are in two phases, spaced 15 months apart, instead of three annual phases as recommended by the President, and (2) the three highest grades of the Classification Act of 1949 and the three highest levels of the postal field service schedule receive only one upward adjustment, leaving the final determination of the appropriate salaries for such grades and levels for consideration in the next Congress.

The conference substitute also provides comparable salary adjustments for employees in the judicial branch, agricultural stabilization and conservation county committee employees, congressional employees, and employees whose rates of compensation are fixed by administrative action. This is in conformity with the policy adopted by the Congress in all recent salary increase legislation.

The conference substitute provides salary increases which, when all are in effect, will average 11.2 percent for postal field service employees and 9.6 percent for classified employees and certain others.

COST OF SALARY INCREASES

The annual cost of the salary reform provisions of the conference substitute will be $1.049 billion beginning with the calendar year 1964, when the salary adjustments provided for therein become fully effective. The salary reform legislation recommended by the President would have cost $1.054 billion a year beginning in the calendar year 1965. The annual cost of Federal civilian salary reform provisions contained in H.R. 9531, as reported favorably by the House Committee on Post Office and Civil Service but not acted upon by the House, would have been $1.469 billion beginning with the calendar year 1964—a difference of $420 million savings under the conference substitute.

CIVIL SERVICE RETIREMENT ANNUITIES

Part III of the conference substitute—

1. Provides a 5-percent increase, effective January 1, 1963, in all annuities then payable from the civil service retirement fund which commenced on or before that date.
2. Applies the increase on a graduated reduction basis to all annuities which commence in the 4-year period following January 1, 1963, in keeping with the practice followed in the last previous enactment of this kind.
3. Provides that the proper proportion of the increase granted an annuitant will accrue to his survivors.
4. Excludes from the increase annuity amounts purchased by voluntary contributions.

5. Removes the ceilings on increases imposed by certain previous enactments.

6. Provides for future adjustments in the event the calendar year average of the monthly Consumer Price Index of the Bureau of Labor Statistics increases not less than 3 percent.

7. Raises from $2,400 to $3,600 the portion of annuity to which the reduction of 2½ percent applies when electing survivorship benefits.

8. Increases the ratio of survivorship benefits from 50 to 55 percent.

9. Reverses present procedure by providing that in the future survivorship benefits will be automatic unless an adverse election is made.

10. Extends the right of membership benefits for children to the end of any school year in which a child attains the age of 21 years so long as the child pursues full-time studies in a school, college, university, or comparable recognized educational institution. This change is in keeping with provisions of veterans' benefit laws.

Differences Between the Text of the House Bill and the Conference Substitute

PART I.—POSTAL SERVICE

TITLE I.—POSTAL RATES

Both the House bill and part I of the conference substitute provide increases in postal rates and certain changes in the public service features of postal policy under chapter 27 of title 39, United States Code.

First-Class Mail

Section 3 of the House bill and section 101 of the conference substitute both provide for increases in the rate on first-class letter mail from 4 to 5 cents for each ounce or fraction of an ounce, in the rate on drop letters from 3 to 4 cents for each ounce or fraction of an ounce, and in the rate on each post card and each postal card from 3 to 4 cents.

Airmail

The amendments made by section 4 of the House bill increase the postage rates on airmail letters from 7 cents to 8 cents for each ounce or fraction thereof and on airmail postal and post cards from 5 cents to 6 cents. The existing requirement of minimum first-class ounce rates for air parcel post first-class matter is retained, but the existing minimum rate of 3 cents an ounce on such matter is eliminated.

Section 102 of the conference substitute increases the postage rate on airmail letters from 7 to 8 cents for each ounce or fraction thereof, and on airmail postal and post cards from 5 to 6 cents.

In keeping with the increase of 8 cents on airmail weighing 8 ounces, the first pound rate for air parcel post (other than first-class matter) is increased 8 cents. Air parcel post rates for first-class matter will be the regular 8-cents-an-ounce rate for each of the first 8 ounces, and the regular first-class letter rate of 5 cents an ounce for each ounce or fraction thereof over 8 ounces, but in no case less than the air parcel post rate for other matter.

Second-Class Mail Within County of Publication

Section 5 of the House bill removes the requirement, in connection with free-in-county mail, that publications must be printed in the county in which published.

Section 103 of the conference substitute eliminates free-in-county mailings and extends to all such within-county mailings for calendar years 1963 and 1964 the existing 1 cent per pound and one-eighth cent minimum charge now applicable to certain categories of within-county mailings. At the start of calendar year 1965, the pound rate would be increased to 1 and one-fourth cents. The minimum charge per piece would remain at one-eighth cent. Existing per-copy rates applicable to publications issued less frequently or more frequently than once a week when mailed for delivery by letter carrier at the office of mailing are left unchanged.

Second-Class Mail Beyond County of Publication

Section 6 of the House bill imposes a piece rate charge of one-half cent effective July 1, 1962, and a piece rate charge of 1 cent effective July 1, 1963, to be paid in addition to existing pound rates.

Section 104(a) of the conference substitute increases second-class pound rates and the minimum charge per piece of publications for delivery outside the county of publication except that the current minimum charge of one-half cent per copy is not changed in the case of publications mailing less than 5,000 copies per issue outside the county of publication. The increase in pound rates on the nonadvertising portion is in three annual increments of 4 percent each year. The increase in pound rates on the advertising portion is in three annual increments of 0.4 cent each. The schedule provides increases after 3 years of 40 percent in zones 1 and 2; 30 percent in zone 3; 20 percent in zone 4; 15 percent in zone 5; and 12 percent in zone 6. The existing rates of 12 cents and 14 cents in zones 7 and 8, respectively, are not changed.

Any issue of a publication the advertising portion of which does not exceed 5 per centum of the entire issue will pay .55 of a cent per piece when mailed after January 6, 1963, and prior to January 1, 1964, .65 of a cent per piece when mailed during calendar year 1964, and .75 of a cent per piece when mailed after December 31, 1964.

Subsection (a) except as noted above also increases the minimum charge on the above publications in annual increments over a 3-year period from one-half cent to six-tenths of a cent, eight-tenths of a cent, and 1 cent respectively.

Subsection (a) also fixes the postage rate on classroom publications at 60 percent of the regular rate. The rate applicable to the total content of publications of qualified nonprofit organizations (advertising and nonadvertising portions alike) is maintained at 1 cent per pound less than the pound rate applicable to the nonadvertising portion of regular publications. This produces a rate for these publications of less than 50 percent of the pound rates described above and the minimum per piece rate is retained at the present one-eighth cent.

Subsection (b) of section 104 extends the nonprofit rate to publications of official State highway agencies which meet all requirements for second-class entry and which contain no advertising. However, only one such publication in any State could be mailed at this rate.

Also, the nonprofit rate is extended to associations of rural electric cooperatives.

Subsection (c) repeals existing law to the extent necessary to give effect to the changes in rates discussed above.

Second-Class Transient Mail

Section 105 of the conference substitute increases the postage rate on the first 2 ounces of transient mail from 2 to 4 cents.

The House bill has no comparable provision relating to transient mail.

Controlled Circulation Publications

Section 8 of the House bill increases the rate to be paid by controlled circulation publications from 12 cents a pound to 14 cents a pound.

Section 106 of the conference substitute increases the pound rate on controlled circulation publications from 12 to 12½ cents the first year, to 13 cents the second year, and to 13½ cents thereafter.

Third-Class Mail

Section 9 of the House bill provides increases in rates for third-class mail as follows:

(1) The piece rate on single mailings is increased from 3 cents on the first 2 ounces or fraction thereof to 4 cents.

(2) The pound rate on all matter mailed in bulk (except books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants) is increased from 16 to 21 cents. The pound rate on books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants is increased from 10 to 18 cents except in the case of mailings by qualified nonprofit organizations which remains at 10 cents. The minimum rate per piece for other than qualified nonprofit organizations is increased from 2½ cents to 3½ cents.

(3) The minimum rate on pieces of odd size is increased from 3½ cents to 4½ cents.

Section 107 of the conference substitute provides increases as follows in rates for third-class mail:

(1) The piece rate on single mailings is increased from 3 cents on the first 2 ounces or fraction thereof and 1½ cents on each additional ounce or fraction thereof to 4 and 2 cents, respectively.

(2) The pound rate on all matter mailed in bulk (except books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions and plants) is increased from 16 to 18 cents. The pound rate on books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions and plants is increased from 10 to 12 cents. The minimum rate per piece in either instance is increased in three annual increments—first to 5⅝ cents, a year later to 2⅞ cents, and a year following that to 2⅞ cents.

Section 107 continues in effect the present minimum per piece charge on bulk third-class mailings by qualified nonprofit organizations and provides that the pound rates for such mailings shall be 50 percent of the regular pound rates for bulk third-class mailings as embodied in the conference agreement.

In addition to the foregoing, this section raises the fee for a third-class bulk mailing permit from $20 to $30 and increases the minimum weight requirement from 20 to 50 pounds. This should have been adjusted in 1958 when the weight for third-class mail was increased from 8 to 16 ounces. One of the requirements for the bulk third-class pound rates is that such mail be in quantities of 20 pounds or of not less than 200 pieces. When the weight limit was 8 ounces a minimum of 40 such pieces was necessary, but when the weight limit was raised to 16 ounces only 20 such pieces was necessary to comply with the minimum weight limit. This is entirely too small a number of pieces to justify the bulk pound rate. Thus, in the future, to obtain the bulk third-class rate, it will be necessary to mail a minimum of 50 pounds or 200 pieces.

Fourth-Class Mail

Section 108 of the conference substitute restores to the States of Alaska and Hawaii the benefits of certain provisions relating to the maximum size and weight of fourth-class parcels mailed at or for delivery at first-class post offices which they enjoyed prior to their admission as States. Under these provisions, such parcels could be as large as 100 inches in length and girth combined and could weigh as much as 70 pounds. These are the maximums which are already applicable generally to parcels mailed at or for delivery at second-, third-, and fourth-class post offices or rural and star routes, and to parcels mailed at or for delivery at Army, Air Force, or Fleet Post Offices. The conditions which led to the original extension of these maximums to Alaska and Hawaii while in territorial status have not been altered by statehood and those maximums should be restored.

Section 109.—This section provides an increase in fourth-class postage rates on books, films, and similar educational materials from 9 cents for the first pound to 9½ cents during the first year and to 10 cents thereafter. The existing rate of 5 cents on each additional percent will continue without change.

The postage rates on fourth-class library materials would remain at 4 cents on the first pound and 1 cent for each additional pound.

The House bill contains no provisions similar to sections 108 or 109 of the conference substitute.

Fees for Second-Class Entry and Registration

The House bill made no change in fees for second-class mail.

Section 110 of the conference substitute provides increases as follows in second-class mailing fees:

	Existing fee	Proposed fee
Circulation:		
Not over 2,000	$25	$30
2,000 to 5,000	50	60
Over 5,000	100	120
Reentry	10	15
Additional entry	10	[1] 15 [2] 50
News agent	20	25

[1] Zones 1 and 2.
[2] Zones 3 to 8.

Permit Fees for Mailing Without Stamps

Section 111 of the conference substitute increases from $10 to $15 the permit fee for mailing without stamps.

The House bill contains no provisions on this matter.

Fixing of Fees by Postmaster General

Section 112 of the conference substitute gives the Postmaster General the authority to adjust second-class entry and registration fees and permit fees for mailing with printed postage indicia in the future.

The House bill contains no provisions on this matter.

Keys and Other Small Articles

Section 113 of the conference substitute increases from 5 cents for each 2 ounces to 6 cents for each 2 ounces the postage rate on keys and other small articles mailed without the prepayment of postage. The House bill contains no such provisions.

Method of Determining Gross Receipts

Section 11 of the House bill and section 114 of the conference substitute both provide that increased revenues derived from the rate increases shall be excluded in determining compensation and allowances of postmasters and other employees and classes of post offices.

This is similar to the provision contained in the 1958 Postal Increase Act.

Qualifications of Postmasters

Section 115 of the conference substitute requires the Civil Service Commission, in evaluating the qualifications of applicants for positions of postmaster, to give appropriate consideration to experience in the postal field service.

The House bill contains no provisions on this matter.

TITLE II—POSTAL POLICY

Section 2 of the House bill revises and strengthens the statement of congressional policy with respect to postal rates and fees originally enacted as the Postal Policy Act of 1958 and now contained in chapter 27 of title 39, United States Code.

Subsection (a) clarifies and strengthens the language of such policy with respect to the determination of postal expenses attributable to the performance of public service by the Postal Establishment.

Subsection (b) makes several important changes in the existing provisions of law with respect to identification of public services rendered by the Postal Establishment and the determination of the costs of such public services which shall be excluded from postal expenses for purposes of fixing postal rates and fees.

The first such change (sec. 2(b) (1) and (2)) provides that "the estimated calculated loss" from operation of third- and fourth-class post offices, star routes, and rural routes shall be held and considered to be an item of public service rendered by the Postal Establishment.

Under present law, the "loss" on star routes and third- and fourth-class post offices is designated as an item of public service.

The second such change (sec. 2(b)(3)) supplies a needed clear definition of the terms "loss" and "total loss" as applied to revenues and expenses of the public service items specified in the law—a definition which was not included in the Postal Policy Act of 1958. This definitive language, coupled with the remaining provisions of section 2 of the bill, will provide standards and guidelines which are necessary for the Postmaster General to determine the amount of public service charges to be excluded from postal expenses each year for purposes of considering the need for adjustments in postal rates and fees.

The amendment made by section 2(c) requires the Postmaster General, on or before February 1 of each year beginning with the year 1962, to report to the Congress the amount by which costs of the public service items set forth in the postal policy provisions exceed revenues from such public service items and specifies, further, that the amount so determined and reported shall be excluded from the total cost of postal operations for purposes of adjustment of postal rates and fees. The last sentence of the amendment requires that the amount so determined and reported (and thus excluded from total operating costs for rate and fee purposes) shall be not less than 7½ percent of the total current budget of the Post Office Department.

The amendment made by section 2(d) is a technical amendment which conforms the table of contents of the appropriate chapter of title 39, United States Code, with the amendments made by the remainder of section 2 of the bill.

Section 201 of the conference substitute makes changes necessary to clarify and strengthen the statement of congressional policy with respect to postal rates and fees contained in chapter 27 of title 39, United States Code. Further, certain technical changes are made necessary by the elimination of free-in-county mailing under section 104. This section resolves a problem of long standing by providing a formula for use in determining the amount that shall be considered public service costs in the operation of star and rural routes and third- and fourth-class post offices. The conference substitute provides that 10 percent of the gross cost of the operation of third-class post offices and the star route system, and 20 percent of the gross cost of the operation of fourth-class post offices and rural routes shall be attributable to public service.

TITLE III—MISCELLANEOUS

Eligibility of Certain Organizations for Second-Class Entry

Section 301 of the conference substitute adds publications of State industrial development agencies and public or nonprofit elementary and secondary schools to the list of those entitled to second-class entry without the necessity of having a bona fide list of regular subscribers.

The House bill contains no provisions on this matter.

Educational Materials

Section 10 of the House bill makes certain technical changes in the preferential educational and library material rate listings to reflect

the substantive changes made by Public Law 86–644, approved July 14, 1960. The subsection also supplies corrective language to clarify the purpose and intent of that part of section 4554(c) of title 39, United States Code, which extends the preferential library materials rates to scientific or matematical kits, instruments, and devices, and catalogs and guides or scripts relating to their use. The existing preferential rates of 9 cents a pound for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof on educational materials and 4 cents a pound for the first pound or fraction thereof and 1 cent a pound for each additional pound or fraction thereof on library materials are retained.

Section 302 of the conference substitute provides corrective language to clarify the purpose and intent of that part of section 4554(c) of title 39 relating to the inclusion of guides, scripts, and catalogs with scientific or mathematical kits, instruments, or devices and sound recordings.

The conference substitute adds looseleaf pages, and binders therefor, consisting of medical information for distribution to doctors, hospitals, medical schools, and medical students to the educational materials category.

Reading Matter and Other Materials for Blind Persons

Section 303 of the conference substitute revises sections 4653 and 4654 of title 39, United States Code, which relate to the mailing of reading and other materials for the use of blind persons. The changes made in these sections are designed to accomplish the following:

(1) Existing law permits the free mailing to blind persons of books with raised type and recordings. This section would add books printed in sightsaving size type to this category. It would also make clear that the term "recordings" includes sound tapes.

(2) Under present law public libraries and public institutions for the blind may mail free of postage books being loaned to blind persons. This section extends this privilege to any nonprofit organizations which lends books to the blind.

(3) Extends the same free mailing treatment to reading materials mailed to nonprofit organizations for the use of blind persons as when sent directly to the blind persons.

(4) Existing law permits magazines furnished to blind persons at cost to be mailed at the rate of 1 cent a pound. This section extends that rate to other reading materials furnished to blind persons at cost. It also makes it applicable where the materials are sent to nonprofit organizations for the use of blind persons.

(5) Under present law sound reproduction devices owned by the United States which have been loaned to blind persons may be returned by those persons for repair at a postage rate of 1 cent a pound. The Postmaster General has authority to extend this rate to reproducers owned by States, public libraries, nonprofit agencies, and blind persons themselves. This section would eliminate the 1-cent-a-pound charge and permit free mailing of these devices. It also authorizes the Postmaster General, in his discretion, to extend free mailing privilege to the sending by State agencies, public libraries, private nonprofit agencies for the blind, and blind persons themselves, of paper, records, tapes, and other materials owned by them for use by the recipients for the production of reading matter in raised characters or sight

saving size type, or in the form of recordings, for the use of blind persons. The House bill has no similar provision.

Repeals and Technical Amendments

Section 9(c) of the House bill and section 304 of the conference substitute repeal section 3 of the act of October 30, 1956 (Public Law 86–56). Also, paragraph (3) of the conference substitute repeals the following substantive provisions of law:

(1) Section 4361 of title 39, which authorizes publishers to mail proofs of advertisements at second-class zone rates applicable to advertising portions.

(2) Section 4652 of title 39, which permits public mailing of the Congressional Record from the District of Columbia at the rate of 1 cent per copy.

Communist Political Propaganda

Section 12 of the House-passed bill contains a provision which would amend section 505 of title 39, United States Code (international postal arrangements) for the purpose of excluding Communist political propaganda from the U.S. mails.

This section in the House bill also contains provisions designed to accomplish this purpose with respect to mail originating within the United States as well as mail originating outside the United States. Under these provisions mail matter determined by the Attorney General to be Communist political propaganda which is financed or sponsored by a Communist-controlled government is nonmailable within the United States, except as fourth-class mail.

During extensive hearings on section 12 of H.R. 7927, widely divergent views were expressed as to the need for such a provision and the form any such provision should take. Following extended deliberations in executive session, the committee has agreed upon what it considers to be an appropriate substitute which meets many of the objections expressed during the hearings, and which is designed to provide a workable solution to the problem of Communist political propaganda arriving for distribution in the United States.

Section 305 of the conference substitute consist of a modification of S. 2740, introduced by Senator Bush on January 25, 1962, which would have had the effect of reinstating the program of screening Communist political propaganda substantially as that program was conducted prior to March 17, 1961.

Section 305 of the conference substitute provides for a program under which, with certain exceptions, Communist political propaganda coming into the United States from foreign countries would be intercepted and would be delivered only upon the request of the addressee within a reasonable time, which shall not exceed 60 days.

Section 305 specifically provides that mail matter, except sealed letters, originating in a foreign country and which is determined by the Secretary of the Treasury to be Communist political propaganda, shall be detained by the Postmaster General upon its arrival for delivery in the United States, or upon its subsequent deposit in the U.S. domestic mails, and the addressee shall be notified that such matter has been received. Such detention would not be required in the case of any matter which is otherwise ascertained by the Postmaster General to be desired by the addressee.

Exempted would be matter addressed to Government agencies, to libraries, or to colleges, universities, graduate schools, scientific or professional institutions for advanced studies, or any individual connected therewith. Likewise, material addressed for delivery in the United States pursuant to a reciprocal international agreement under which the U.S. Government mails an equal amount of material for delivery in a Communist country, would be exempted.

In order to furnish guidelines to the Secretary of the Treasury as to what constitutes Communist political propaganda, the entire definition of political propaganda contained in the Foreign Agents Registration Act of 1948 is incorporated by reference and related to matter issued by or on behalf of any country from which tariff concessions have been withdrawn under section 5 of the Trade Agreement Extension Act of 1951 or section 231 of the Trade Expansion Act of 1962, or which is denied assistance under section 620(f) of the Foreign Assistance Act of 1961, as amended.

Effective Date

Section 13 of the House bill provides an effective date of July 1, 1962. Section 306 of the conference substitute provides that, except as otherwise provided, the provisions of Part I—Postal Service shall become effective January 7, 1963.

Obscene Matter Distributed by Mail

The House bill has no provisions on this subject.

Section 307 of the conference substitute authorizes the Postmaster General to detain and dispose of mail containing obscene, lewd, lascivious, or indecent matter.

PART II—FEDERAL SALARY REFORM

Part II of the conference substitute relates to Federal salary reform.

TITLE I—GENERAL POLICY

Title I of part II contains a statement of Federal salary policy.

Section 501 provides that part II may be cited as the "Federal Salary Reform Act of 1962."

Section 502 sets forth the policy of the Congress that pay of Federal civilian personnel shall be established upon the principles of equal pay for substantially equal work with pay distinctions maintained in keeping with work and performance distinctions; and that Federal salaries shall be comparable with salaries in private enterprise for the same levels of work.

Section 503, pertaining to the implementation of the above policy, provides that the President shall have prepared and submitted to him an annual report comparing salary rates paid to Federal employees with rates paid for the same levels of work in private industry as determined through annual surveys of the Bureau of Labor Statistics of the Department of Labor. After seeking the views of employee organizations the President shall make an annual report to the Congress containing the comparison of Federal and private enterprise salary rates and such recommendations for revision of statutory salary

schedules, salary structure, and compensation policy as he deems advisable.

In further implementation of the stated salary policy, section 504 provides that whenever the President or his designee finds that the salary rates in private enterprise for an occupation in any particular location are so substantially above the salary rates of Federal statutory pay schedules as to handicap significantly the Government in recruiting and retaining well-qualified persons in positions under the pay systems of the executive branch covered by the conference substitute, the President, or his designee, may establish for such location higher minimum rates of basic compensation. Corresponding increases may be made in all step rates in the salary range for the applicable grade or level; however, the minimum salary rate established under this authority may not exceed the seventh compensation rate prescribed by law for the grade or level involved. The President may authorize the exercise of the authority conferred upon him by this section by the Civil Service Commission or, in the case of employees not subject to the civil service laws and regulations, by such other agency as he may designate.

Section 504 also provides that such rates may be revised from time to time and that such actions or revisions shall have the force and effect of law.

Section 504 further provides that any increase in basic compensation established under this section shall not be regarded as an "equivalent increase" in compensation within the meaning of section 701(a) of the Classification Act of 1949, or section 3552 of title 39, United States Code.

Policies, Rules, and Regulations of the President

Section 505 further implements the salary policy by authorizing the President to prescribe policies, rules, and standards in order to carry out the policy and purpose of the conference substitute with respect to the several Federal salary systems covered by the conference substitute and in order to provide adequate supervision and control by the President over the functions, duties, and regulations of the respective authorities in the executive branch in connection with the administration and operation of the four major salary systems and the provisions of this title.

Title II—Pay System of the Classification Act of 1949

Title II of part II of the conference substitute pertains to the pay system of the Classification Act of 1949, as amended.

Section 601 provides that title II may be cited as the "Classification Act Amendments of 1962."

Section 602 contains the compensation schedules for the General Schedule of the Classification Act of 1949, as amended, and the salary conversion rules for the two phases of the salary adjustment plan which would become effective on the first day of the first pay period which begins on or after the date of enactment (first phase) and on January 1, 1964 (second phase).

Section 602(a) prescribes the compensation schedules. The schedule contains 10 regular steps in lieu of 7 scheduled and 3 longevity rates currently provided for GS–1 through GS–10; 9 rates for

GS–11 through GS–14 in lieu of 6 scheduled and 3 longevity rates; 8 rates for GS–15 in lieu of 5 scheduled and 3 longevities; and 5 rates for GS–16 and GS–17 in lieu of the 5 rates currently provided by the Classification Act. Grade GS–18 continues to have a single rate. Because the number of regular step rates is increased, the current provisions for longevity step increases in title VII of the Classification Act of 1949 are no longer needed and are repealed in subsequent sections of the conference substitute.

Section 602(b) specifies the rules adjusting existing pay rates to the rates of the new schedules. Employees generally are to retain the same relative place within the new grade range as they had within their former grade range.

Paragraph (10) of section 602(b) provides that service immediately preceding the effective date shall be counted toward not to exceed one step increase under the time in grade provisions of section 701(a) of the Classification Act of 1949, as amended by the conference substitute.

Paragraph (11) of section 602(b) applies to each officer or employee who is receiving immediately prior to the effective date of section 602, pursuant to paragraph (4) of section 2(b) of the Federal Employees Salary Increase Act of 1955, an existing aggregate rate of compensation, determined under section 208(b) of the act of September 1, 1954 (68 Stat. 1111; Public Law 763, 83d Cong.), plus the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, by section 2 of the Federal Employees Salary Increase Act of 1958, and by section 112 of the Federal Employees Salary Increase Act of 1960. Such officer or employee will receive an aggregate rate of compensation equal to the sum of (1) his existing aggregate rate of compensation determined under the savings provisions of section 208(b) of the act of September 1, 1954, referred to above, and (2) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, and (3) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1958, and (4) the amount of the increase provided by section 112 of the Federal Employees Salary Increase Act of 1960, and (5) the amount of the increase made by section 602 under compensation schedule I in the maximum rate of his grade. This rate will remain in effect for such officer or employee until he leaves his position or until he is entitled to receive aggregate compensation at a higher rate by reason of the operation of the amendment or any other law. However, when the position becomes vacant, the aggregate rate of compensation of any later appointee thereto will be fixed in accordance with applicable provisions of law. Paragraph (11) of section 602(b) also contains a provision to the effect that, subject to the possibility that any such officer or employee may leave his position or may become entitled to aggregate compensation at a higher rate, the amount of the increase provided by section 602 is to be held and considered, for the savings purposes of section 208(b) of the act of September 1, 1954, to constitute a part of the existing aggregate rate of compensation of the officer or employee.

Step Increases

Section 603 amends title VII, "Step Increases" of the Classification Act of 1949. Title VII currently provides two types of step increases: (1) Periodic step increases under section 701, and (2) longevity step

increases beyond the scheduled maximum rate of the grade under section 703. As amended by the conference substitute, title VII provides for (1) periodic step increases, and (2) additional step increases to be granted in recognition of high quality performance.

Section 701 now provides periodic step increases, for employees below the maximum rate of the grade, for each 52 calendar weeks of service if the amount of the step increase is less than $200, or 78 weeks of service if the employee's position is in a grade in which the step increase is $200 or more. As amended, section 701(a) provides for periodic increases at all grades following the completion of (1) 52 calendar weeks of service in salary rates 1, 2, and 3, (2) 104 calendar weeks of service in salary rates 4, 5, and 6, and (3) each 156 calendar weeks of service in salary rates 7, 8, and 9.

Paragraphs (A) and (C) of section 701(a) which relate to eligibility for step increases are in existing law. Paragraph (B) requires, as a prerequisite to within-grade advancement, that the employee's work is of an acceptable level of competence in contrast with the present wording that the employee has a current performance rating of "satisfactory" or better.

Subsection (b) of the revised section 701 is present law.

The new section 702 of the Classification Act of 1949 in the conference substitute authorizes, in subsection (a), additional step increases in recognition of high quality performance above that ordinarily found in the type of position concerned. Such additional step increases could be made in accordance with regulations prescribed by the Civil Service Commission and, under subsection (b), would be limited to not more than one within any period of 52 weeks.

Current provisions of sections 703 and 704 of the Classification Act of 1949, relating to longevity step increases, are no longer needed since these steps have been included in the regular rate range for the respective grades. The provisions are therefore repealed. Section 703 of the amended title VII which is already in existing law (as sec. 705) provides that title VII shall not apply to persons appointed by the President, by and with the advice and consent of the Senate. Title VII currently does not have a section 702.

General Compensation Rules

Section 604(a) revises section 802(b) of the Classification Act of 1949 to provide that when an employee is promoted to a position in a higher grade he shall receive basic compensation at the lowest rate of the higher grade which exceeds his existing rate by not less than two step increases of the grade from which promoted. This subsection also specifies the action to be taken if there is no rate in the higher grade two step increases above the employee's existing rate, or if he is receiving a rate saved under section 507 of the Classification Act of 1949 on reduction in grade. Existing law provides only a one-step increase upon promotion or transfer to a higher grade. A similar proposal is included in H.R. 1010 which passed the House of Representatives on August 22, 1961.

Section 604(b) adds a new subsection (d) to section 802 of the Classification Act of 1949. There is no present authority for saving the basic compensation of an employee who, together with his position, is brought under the Classification Act from some other Federal pay system (such as the wage board system), if his salary

rate is in excess of the maximum rate of the classification grade in which his position is placed. The new subsection would authorize the Civil Service Commission to issue regulations to permit the retention of salary in such instances. It includes special provision applicable in case of subsequent demotion in grade.

Section 604(c) substitutes a new section 803 of the Classification Act of 1949. Because of the more comprehensive provisions in section 504 of title I, part II, of the conference substitute, the present provisions of section 803, authorizing advanced entrance rates of the grades for appointments in shortage occupations, are unnecessary and therefore are being deleted. Section 803, as amended, provides that under regulations of the Civil Service Commission, any employee under the Classification Act who regularly has responsibility for supervision, including technical supervision, over wage board employees may be paid a rate for his grade above the highest rate paid to any such prevailing rate employee.

Salary Retention

Section 605 amends section 507 of the Classification Act of 1949 which provides for the retention of salary when an employee is demoted to a lower grade. The amendment in paragraph (1) extends application of the provisions of section 507 to employees in all grades of the Classification Act of 1949 by omitting the language of existing law which excludes application of the benefits to employees in grades GS–16, GS–17, and GS–18. The amendment in paragraph (2) strikes out "B in the same grade or in the same or higher grades;" in paragraph (4) of subsection (a) of such section 507 and inserts in lieu thereof "(B) in any grade or grades higher than the grade to which demoted;". This change in language will permit salary retention not now permitted under section 507 where there may have been a series of promotions followed by a demotion or a series of demotions.

Increase in Number of Top Grade Positions Under the Classification Act of 1949

Section 606 amends section 505 of the Classification Act of 1949. Subsection (a) increases from 1,989 to 2,400 the limitation on the number of positions the Civil Service Commission, under section 505(b) of the Classification Act, may authorize to be placed in grades 16, 17, and 18 of the general schedule, and excludes from this limitation engineering research and development positions and positions in the physical sciences, natural sciences, and medicine. Subsection (b) excludes these same types of positions from the number of positions in grades 16, 17, and 18 now authorized for the Department of Defense in section 505(j) of the Classification Act.

Section 606(c) authorizes the Attorney General to place a total of 10 positions of warden in the Bureau of Prisons in grade 16 of the general schedule. This increases by four the number of such positions which may be assigned to GS–16. This subsection also authorizes the Attorney General to place a total of eight positions of member of the Board of Parole in grade 17 of the general schedule. Presently only one such position is in grade GS–17 and the other seven are in grade GS–16.

Section 607 repeals certain provisions of law authorizing (1) incumbency allocations to top Classification Act grades, and (2) certain positions to be placed in top grades of the act or to have an equivalent salary.

Section 608(a) provides that each position covered by a repeal provision in section 607 shall be placed in the appropriate grade of the general schedule of the Classification Act, in accordance with the provisions of that act.

Section 608(b) provides that positions in grades 16, 17, and 18 of the general schedule immediately prior to the effective date shall remain in such grades until appropriate action is taken under section 505 of the Classification Act.

Savings Provision

Section 609 contains the usual salary savings provisions.

EFFECTIVE DATES

Section 610 provides that except as otherwise expressly provided the provisions of title II of part II shall become effective on the first day of the first pay period which begins on or after the date of enactment.

TITLE III—POSTAL FIELD SERVICE EMPLOYEES

Section 701 cites this title as the "Postal Employees Salary Adjustment Act of 1962."

Employees Under the Postal Field Service Schedule

Section 702 provides two postal field service schedules. Schedule I would be effective the first pay period after enactment and schedule II, the first pay period after January 1, 1964. The salary schedules for the postal field service follow the pattern established for other statutory pay systems in that they are based on the principle of industry comparability for levels of work.

The structure of the proposed schedules is generally similar to that of the Classification Act of 1949. It replaces both annual salary steps in the present PFS schedule and longevity rates which is accomplished by the addition of step increases to the PFS schedule.

Employees Under the Rural Carrier Schedule

Section 703(a) establishes two new schedules for determining rural carrier pay, the first effective on the first pay period after enactment and the second on the first pay period after January 1, 1964. It also combines the present salary steps and longevity steps into a single 12-step schedule.

Pay rates for the RCS schedule were determined by adding the amount of increase provided for PFS–4, step 7, to the present step 7 rate for the 42-mile route, and adjusting other rates for that route to the corresponding rates for PFS–4.

Section 703(b) amends section 3543(c) of title 39, United States Code, which authorizes payment of additional compensation to rural carriers on heavily patronized routes, by eliminating the existing provision permitting such payment only if the route does not exceed 61

miles in length, as well as the provision limiting the additional compensation to an amount which when added to the basic salary for the maximum step for the route would equal the basic salary for the maximum step for a 61-mile route.

Section 703(c) amends section 3543(f) of title 39, United States Code, to increase the equipment maintenance allowance for rural carriers from 10 cents to 12 cents a mile or from $3.50 to $4.20 a day, whichever is greater.

Section 703(d) changes the method of compensating substitute rural carriers. Under the present system these carriers are paid at the rate of the carrier in whose absence they are serving. Under the new provisions, substitute carriers will be paid on the basis of their own service in the same manner as regular carriers.

Postmasters Under the Fourth-Class Office Schedule

Section 704 amends section 3544(a) of title 39, United States Code, the code to provide two new compensation schedules for postmasters in fourth-class post offices, one effective the first pay period after enactment and the other effective the first pay period after January 1, 1964.

The proposed schedules continue to relate compensation to receipts categories. The first schedule provides an increase of 10 percent above current salary rates. The second schedule adds another 5 percent or a total of 15 percent over existing rates. Subsection (b) extends to postmasters of the third- and fourth-class salary restoration rights now enjoyed by other postal employees.

Automatic Advancement by Step Increases

Section 705 amends 39 U.S.C. 3552, which relates to advancement of employees by step increases.

Under subsection (a), 39 U.S.C. 3552, the schedule of advancement is established. The present schedule of advancement provides for increases based on 52 weeks of service in a step until the highest step in the level is reached. In levels PFS–1 through PFS–6 this form of advancement is continued for the first six increases; the next five increases are attained after a 156-week waiting period for each. In all levels above PFS–6, under the new schedule, the employee will be advanced to steps 2, 3, and 4, on the basis of 52 weeks of service in each step, to steps 5, 6, and 7, on the basis of 104 weeks of service, and to steps 8 and above, on the basis of 156 weeks of service. The conference substitute does not continue the limitation on the advancement of substitutes assigned to road duty. It has been the practice of the Post Office Department to credit service by such a substitute in step 4, PFS–5, and, upon placement in a position not subject to the limitation, the employee would be advanced in step in the new position on the basis of such service, if otherwise proper. The removal of such limitation will permit these substitute employees who were not advanced beyond step 4 of salary level PFS–5 by reason of the limitation, to be given credit for all their service in step 4 and given the appropriate step increases at the time of conversion.

Subsection (b), 39 U.S.C 3552, codifies and makes permanent a provision of law common to salary increase legislation affecting postal employees. In effect, it provides that statutory increases in basic

compensation are not equivalent increases for purposes of determining eligibility for advancement under subsection (a).

Subsection (c), 39 U.S.C. 3552, reenacts the last sentence of 39 U.S.C. 3552 (a) as a separate subsection.

The current provisions of 39 U.S.C. 3552(b) are, in effect, repealed by this amendment. Under present service conditions, withholding of advancement by step increases from substitutes in PFS–5 assigned to road duty cannot be justified.

Temporary Employees

Section 706 amends 39 U.S.C. 3554 by deleting the phrase "under the postal field service schedule" and inserting in its place the phrase "in the postal field service." The purpose of this change is to permit the payment of compensation to temporary rural carriers serving under limited appointments in the same manner as to other postal field service employees. In effect, this change will continue the present method of compensation of these carriers.

Promotions

Section 707 amends 39 U.S.C. 3559 in its entirety. The present method of promotion guarantees to each employees a minimum increase equivalent to the difference between step 1 of the level from which promoted and step 1 of the level immediately above. The new provision will guarantee to each employee promoted to a higher level a minimum increase equivalent to two step increases of the level from which promoted; if the employee is promoted to a level more than two levels above the level of his position, he will receive a minimum increase equivalent to three step increases.

Rural Routes

The purpose of section 708 is to remove the limitation on the present authority of the Postmaster General with respect to the establishment or extension of star routes in areas previously served by rural routes. Under present law such substitution may not be made if a qualified rural carrier can be obtained. This change will permit the Postmaster General to exercise administrative discretion in the selection of the more efficient or economical service.

Miscellaneous Provisions

The new salary plan abolishes longevity steps and provides for recognition of long service through addition of within-grade steps. Therefore, the distinction made in sections 3101(5) and 3101(6) of title 39, between basic salary and basic compensation, is no longer valid and section 709 eliminates this distinction.

Section 710 amends 39 U.S.C. 3541 to provide a method for determining the daily rate of compensation of substitute rural carriers. By using a factor of 304, the number of days of service on a rural route in a year, holiday pay is prorated throughout the year against the actual service of the substitute rural carrier. In this respect, pay treatment of these employees will be consistent with that afforded other substitute employees.

Conversion Rules

Section 711 provides the rules for the conversion of existing salaries to the new pay schedules which would become effective on the first day of the first pay period after enactment. The conversion method generally will place each employee in the numerical step which he attains immediately prior to the effective date of the new pay plan, plus an additional numerical step for each longevity step attained immediately prior to conversion.

Credit is preserved toward the next within-grade or automatic step increase earned by employees prior to conversion if they were not given an additional step increase by reason of longevity steps attained prior to conversion. Such credit will be applied toward fulfillment of the requirements of the new advancement schedule. No credit earned toward longevity steps will be carried over. No employee's salary will be reduced on conversion.

In addition, to provide a greater salary increase for present employees, each employee in levels PFS–1 through PFS–4 or under the rural carrier schedule will be advanced one extra step on conversion.

Section 712 provides for the conversion of employees to the schedules to become effective in January 1964 according to the numerical step attained immediately prior to the date of conversion. Where existing compensation exceeds the rate for the numerical step, the existing compensation is retained if conversion cannot be made to a scheduled step.

Section 713 amends section 3560 of title 39, United States Code, as added by section 201 of the act of September 21, 1961 (75 Stat. 569, Public Law 87–270), which provides, among other things, that employees in protected rates will be given statutory increases applicable to the salary standing from which reduced. The purpose of section 713 is to make clear that, inasmuch as the new salary plan involves basic structural changes for employees now under the PFS, RCS, and FOS schedules, this particular feature of 39 U.S.C. 3560 cannot be given application at the time of conversion to the new schedules. Salaries of employees in protected rates as of the date of conversion will be converted under sections 711 and 712 of the conference substitute, as appropriate.

Basic Salary in Cases of Assignments of Postal Employees

Section 714 amends section 3335(b) of title 39, United States Code, so as to clarify the intent of Congress with respect to the authority of the Postmaster General to authorize higher level compensation. This amendment is required to remove objections of the Comptroller General, as stated in his decision of February 1, 1962 (B–138999), to the Department's application of the present statutory provision and to validate payments that have been made.

Salary Protection

Section 715 extends existing salary protection provisions to all levels of the postal field service schedule and clarifies their application to certain situations.

Section 716 contains a new compensation rule which will permit the Postmaster General to make exceptions to the schedule of auto-

matic advancement provided in 39 U.S.C. 3552 in recognition of exceptional competence. This provision will require implementation by regulations to be issued by the Postmaster General.

Top grade positions and Whitten Amendment

Section 717 removes PFS–17 from the controlled position group and grants the postal field service a 10-percent exemption under the Whitten amendment.

Section 718 contains two conforming changes to the table of contents of title 39, United States Code.

Repeals

Section 719 repeals those provisions of Public Law 86–568 which contained salary increases for postal field service employees, effective July 9, 1960. It also repeals 39 U.S.C. 3558, which provides for the present system of longevity compensation; the new pay schedules supersede the longevity system in its entirety.

EFFECTIVE DATES

Section 720 specifies the effective dates of the various sections in title III.

TITLE IV—DEPARTMENT OF MEDICINE AND SURGERY IN THE VETERANS' ADMINISTRATION

Title IV relates to physicians, dentists, and nurses in the Department of Medicine and Surgery of the Veterans' Administration who are subject to a separate pay system prescribed by chapter 73 of title 38, United States Code. The revisions made by this title not only take into account the Bureau of Labor Statistics findings but also reflect the results of extensive studies of the Veterans' Administration concerning the need for a modernization of the entire grade and salary structure of the Department of Medicine and Surgery to recognize the numerous organizational and functional changes which have taken place in the Department since its inception in 1946.

In recognition of the nature of their occupations and the variability of assignments in a clinical setting, the grade and salary of physicians, dentists, and nurses in the Department of Medicine and Surgery are determined on the basis of an individual's qualifications and professional attainment. Notwithstanding this fact, comparison of the qualification and skill requirements for like occupations under the Classification Act corroborate extension to the Department of Medicine and Surgery schedules in the manner indicated in the conference substitute bill of the salary scale proposed for the Classification Act system. Appropriate differentiation in pay between recognized skill levels as well as executive and managerial levels is maintained. Internal relationships of pay between the D.M. & S. system and the Classification Act system are also continued.

Section 801 amends section 4103 of title 38 of the United States Code. It reduces the maximum number of Assistant Chief Medical Directors from eight to five and modifies the provisions pertaining to directors of service and chiefs of division. In lieu of these positions,

a new position level of Medical Director is established. The salaries of the Assistant Chief Medical Directors, the Director of Nursing Service, the Chief Pharmacist, and Chief Dietitian are appropriately adjusted in line with other increases proposed by the conference substitute. The statutory positions of the Deputy Director of Nursing Service, Chief Physical Therapist, and Chief Occupational Therapist are eliminated. The duties of the first-named position will be filled by a nurse of the Assistant Director grade. The salaries for the positions of Chief Physical Therapist and Chief Occupational Therapist will be set in the future under the Classification Act of 1949.

Section 802 amends section 4107 of title 38, United States Code. In subsection (a) of section 4107, the former schedules entitled "Medical Service" and "Dental Service" have been combined and retitled "Physician and Dentist Schedule." The existing schedules have provided identical grades and pay scales and their continued separation serves no purpose. The junior grade of the former schedules has been eliminated, and two new grades—the director grade and executive grade—have been established. The schedule now titled "Nursing Service" has been retitled "Nurse Schedule." Two new grades—the assistant director grade and chief grade—have been established, and the former grades of assistant director and senior grade have been retitled "Senior grade" and "Intermediate grade," respectively.

The amendment also provides the pay scales for the physician and dentist schedule and the nurse schedule to be effective on the first day of the first pay period after enactment and after January 1, 1964.

The amendment of section 4107 of title 38 of the United States Code specifies the intended use of the two new grades—director and executive—in the physician and dentist schedule.

Section 803, which amends section 4108 of title 38 of the United States Code, repeals the present provision providing for an allowance equal to 15 percent of the pay of persons rated as medical, surgical, or dental specialists under the provisions of that section, since the latitude which will be afforded within the pay range of each grade will permit appropriate recognition of specially qualified individuals. The current subsection (b) of 4107 of title 38, without change, has been redesignated as section 4108 for purpose of greater clarity and as a matter of drafting convenience.

Subsection (b) of section 803 is a perfecting amendment to the table of contents at the head of chapter 73 of title 38, to reflect the change in the catchline of section 4108.

Section 804 amends section 4111(b) of title 38 to provide that the per annum salary rate of a director of a hospital, domiciliary, or center who is not a physician in the medical service shall not be less than the rate of salary he would receive if such service as a director had been as a physician in the director grade. Except with respect to change in rate of salary, the subsection does not affect the allocation of any such position to any grade of the Classification Act or the application of the Performance Rating Act of 1950 to any individual.

Section 805 provides that title IV shall become effective on the first day of the first pay period after enactment except as otherwise expressly provided.

TITLE V—THE FOREIGN SERVICE ACT OF 1946

Section 901 provides that title V may be cited as the "Foreign Service Salary Reform Act of 1962."

Section 902 amends section 412 of the Foreign Service Act of 1946 by adjusting upward the per annum salary rates for the eight classes of Foreign Service officers. No change is made in the number of classes and, with the exception of class I, which has two salary rates, the general pattern of seven rates for each class is continued. As in other sections of this title, the schedules of per annum salary rates, provided by this section, are to be effective in two phases at the beginning of the first pay period after enactment and after January 1, 1964.

Section 903 amends section 415 of the Foreign Service Act of 1946 by revising the structure of the Foreign Service Staff salary schedule and embodying certain changes directly comparable to those made in the revision of the Classification Act of 1949.

There are at present 22 classes in the Foreign Service Staff schedule. The proposed schedule of 10 classes would eliminate the unnecessary and seldom-used classes in the current schedule. Since custodial, maintenance, and the most routine clerical functions are performed almost exclusively by alien employees at Foreign Service posts, there is little need for U.S. citizen employees at the levle of duties represented by classes 14 through 22. Since classes 14 through 22 are to be abolished, it will be necessary to give the Secretary the authority contained in proposed section 415(b) in order that persons in such classes may continue to be employed at appropriate rates. The new section 415(b) would give the Department all needed flexibility in this respect, should it be desirable in unusual circumstances, to employ American personnel at lower rates for duties less difficult than those of FSS–10. Within the proposed Foreign Service Staff salary schedule, 10 salary rates are proposed for the lower 6 classes, and 9 for the upper 4. This conforms with Classification Act of 1949 salary ranges proposed at similar salary levels. Section 903 prescribes two schedules of per annum salaries for staff officers and employees to be effective the first pay period after enactment and after January 1, 1964.

Section 904 provides for the conversion of Foreign Service personnel from their present salary rates to those established by the conference substitute.

Section 905 repeals section 642(b) of the Foreign Service Act relating to longevity step increases for Foreign Service staff officers and employees and makes minor conforming changes in the heading and identification of the section in the Foreign Service Act. Since the new Foreign Service staff schedule provides 9 or 10 rates for within-class increases, this section is no longer needed.

Section 906 provides that, except as otherwise expressly provided, title V shall become effective on the first day of the first pay period after enactment.

TITLE VI—MISCELLANEOUS SALARY PROVISIONS

Section 1001 increases the salary limitations for certain scientific, professional, and other positions to accord with the salary ranges of the general schedule of the Classification Act of 1949. In most cases the salary range stated in the laws which are amended has a $19,000

maximum. The amendments proposed would tie the maximum to grade 18 of the general schedule.

Subsection (a) of section 1001 revises the salary range in section 2(b) of Public Law 313, 80th Congress, as amended, from $12,500–$19,000, to a range from the minimum salary of grade GS–16 to the highest rate of grade GS–18, and authorizes eight such positions in the Library of Congress.

Subsection (b) amends section 1581(b) of title 10 of the United States Code, relating to certain scientific or professional positions in the Department of Defense, to provide a minimum rate for such positions as the minimum rate of GS–16 and a maximum rate equivalent to GS–18 pay.

Subsection (c) extends the new range to positions now paid at $12,500 to $19,000 in the National Security Agency.

Subsection (d) amends the proviso in the first sentence of section 208(g) of the Public Health Service Act, as amended, which relates to compensation rates of certain scientific, professional, and administrative personnel in the Public Health Service to provide a minimum rate of grade GS–16 and a maximum at the pay of grade GS–18.

Subsection (e) establishes a maximum rate, equivalent to the pay of grade GS–18 for five positions of technical experts in the Department of Agriculture engaged in research in foot-and-mouth and other animal diseases.

Subsection (f) amends section 203(b)(2) of the National Aeronautics and Space Act of 1958 to provide that the Administrator may fix the rates for certain excepted positions at not to exceed the pay of grade GS–18 of the Classification Act of 1949. Thirty of these positions may continue to be paid up to $21,000.

Subsection (g) amends the proviso in section 161(d) of the Atomic Energy Act of 1954, as amended, to permit the fixing of salaries of scientific and technical personnel up to a limit of the pay of grade GS–18 of the General Schedule of the Classification Act of 1949. The present limit is $19,000.

Subsection (h) substitutes the GS–18 rate in place of $19,500 as the top salary for 23 positions in the Federal Aviation Agency.

Subsection (i) authorizes use of Foreign Service salary rates for paying the U.S. representatives and alternate on the Executive Board of the World Health Organization in place of present maximum salaries of $12,000 and $10,000.

Subsection (j) sets the GS–18 rate as the maximum salary for certain positions established under the Mutual Educational and Cultural Exchange Act, not authorized to be paid up to $1,000 more than the rate of GS–18.

Subsection (k) fixes the GS–18 salary as the maximum rate for certain positions under the Foreign Assistance Act which may now be paid up to $19,000 a year.

Subsection (l) fixes the GS–18 salary rate as the top salary for certain Peace Corps positions now paying up to $19,000 a year.

Agricultural Stabilization and Conservation County Committee Employees

Section 1002 extends to agricultural stabilization and conservation county committee employees the salary increases provided by the conference substitute for corresponding Classification Act of 1949 salary levels.

Assistant U.S. Attorneys

Section 1003 raises from $15,000 to $17,500 the maximum amount which can be paid to assistant U.S. attorneys and provides for an increase of 7½ percent in their existing rates of compensation.

Employees in the Judicial Branch

Section 1004 authorizes, for employees of the judicial branch, salary increases corresponding to those proposed in the statutory salary systems in the executive branch.

Officers and Employees in the Legislative Branch

Section 1005(a) provides an increase of 7 percent to officers and employees in or under the legislative branch.

Subsection (b) provides for the automatic adjustment, effective October 16, 1962, of the compensation of employees in the office of a Senator to the rate nearest that being received by such employees immediately preceding such effective date unless the disbursing office of the Senate is notified to the contrary within 15 days after the date of enactment. Such notice, when given, would give effect to the increase.

Subsection (c) provides an increase of 7 percent in the rates of basic compensation of the elected officers of the Senate (not including the presiding officer) the Parliamentarian of the Senate, the legislative counsel and senior counsel in the Office of the Legislative Counsel of the Senate, the official reporters of debates of the Senate, and the Chief Clerk of the Senate, except that no such salary may be raised to an amount above $21,500.

Subsection (d) increases the limitation fixed by law on the compensation of employees of the Senate by the amount necessary to pay the additional compensation provided by the conference substitute bill.

Subsection (e) provides that the provisions of subsection (a) shall not apply to employees engaged in folding speeches and pamphlets whose compensation is subject to the new limitation.

Subsection (f) covers elected officers of the House of Representatives (other than Members) and certain other officers of the House of Representatives who are not covered by other provisions of the conference substitute bill. Subsection (f) covers the following officers and employees of the House of Representatives:

(1) The Assistant Parliamentarian No. 1 of the House of Representatives, whose total rate of per annum compensation is now prescribed by House Resolution 339, 84th Congress, section 103 of the Legislative Branch Appropriation Act, 1957 (70 Stat. 370; Public Law 624, 84th Cong.), and section 117(g) of the Federal

Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 304; Public Law 86–568);

(2) The following elected officers of the House of Representatives, whose total rates of per annum compensation are now prescribed by House Resolution 486, 84th Congress, section 103 of the Legislative Branch Appropriation Act, 1957 (70 Stat. 370; Public Law 624, 84th Cong.), section 4(k) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 209; Public Law 85–462), and section 117(g) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 304: Public Law 86–568); the Clerk of the House, the Sergeant at Arms of the House, the Doorkeeper of the House, and the Postmaster of the House;

(3) The chief of staff of the Joint Committee on Internal Revenue Taxation, whose total per annum compensation is now prescribed under authority of section 302(c) of the act of October 4, 1961 (75 Stat. 793; Public Law 87–367);

(4) The legislative counsel of the House of Representatives, whose total per annum compensation is now fixed in accordance with a provision relating to the legislative counsel of the Senate in the Legislative Branch Appropriation Act, 1958 (71 Stat. 251; Public Law 85–75) (as modified by secs. 4(c) and 4(m) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 208 and 209; Public Law 85–462)), and section 117(g) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 304; Public Law 86–568);

(5) The coordinator of information of the House of Representatives, whose total per annum compensation is now fixed under House Resolution 183, 80th Congress, section 105 of the Legislative Branch Appropriation Act, 1948 (61 Stat. 377; Public Law 197, 80th Cong.), section 2(e) of the act of October 24, 1951 (65 Stat. 612; Public Law 201, 82d Cong.), section 4(c) of the Federal Employees Salary Increase Act of 1955 (69 Stat. 176; Public Law 94, 84th Cong.), section 4(l) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 209; Public Law 85–462), and section 117(g) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 304; Public Law 86–568);

(6) Two printing clerks, one for the majority caucus room and one for the minority caucus room, whose total per annum compensation is now provided for on a present incumbency basis in the paragraph under the heading "House of Representatives" and the subheading "Special and Minority Employees" in the Legislative Branch Appropriation Act, 1958 (71 Stat. 247; Public Law 85–75), as modified by a comparable provision in each annual appropriation act for the legislative branch, the latest such provision currently being the paragraph under the heading "House of Representatives" and the subheading "Special and Minority Employees" in the Legislative Branch Appropriation Act, 1962 75 Stat. 325; Public Law 87–130);

(7) Four minority employees of the House in positions referred to in House Resolution 486, 84th Congress, whose total per annum compensation is now fixed under such resolution and section 103 of the Legislative Branch Appropriation Act, 1957 (70 Stat. 370; Public Law 624, 84th Cong.), section 4(r) of the Federal Em-

ployees Salary Increase Act of 1958 (72 Stat. 209; Public Law 85–462), and section 117(g) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 304; Public Law 86–568).

The above list of officers and employees within the purview of subsection (f) is not necessarily all-inclusive.

It may be noted, in connection with House officers and employees in the categories covered by subsection (f), that three employees in comparable categories are granted increases in compensation under section 1005(a) rather than subsection (f). These employees are as follows:

(1) The Chaplain of the House of Representatives, whose present rate of total per annum compensation consists of a per annum basic rate prescribed by section 6 of the Legislative Appropriation Act, 1956 (69 Stat. 508; Public Law 242, 84th Cong.), and additional compensation provided by the various pay increase laws covering legislative branch employees generally, including section 117(a) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 303; Public Law 86–568);

(2) The Assistant Parliamentarian No. 2 of the House of Representatives whose present rate of total per annum compensation consists of a per annum basic rate provided by House Resolution 277, 82d Congress, and section 277 of the Legislative Branch Appropriation Act, 1953 (66 Stat. 478; Public Law 471, 82d Cong.), and additional compensation provided by the various pay increase laws covering legislative branch employees generally, excluding the Federal Employees Salary Increase Act of 1958 but including section 117(a) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 303; Public Law 86–568);

(3) The clerk to the House Parliamentarian, whose present rate of total per annum compensation consists of per annum basic rate fixed under House Resolution 486, 85th Congress, and section 103 of the Legislative Branch Appropriation Act, 1959 (72 Stat. 453; Public Law 85–570), and additional compensation provided by the various pay increase laws covering legislative branch employees generally, excluding the Federal Employees Salary Increase Act of 1958 but including section 117(a) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 303; Public Law 86–568).

Subsection (g) increases the limitations on gross rate per thousand and gross rate per hour per person payable to employees of the House of Representatives engaged in folding speeches and pamphlets by an amount equal to the increases granted to legislative employees under the conference substitute.

Subsection (h) makes clear that the increases provided by section 1005 are to be considered part of basic compensation for the purposes of the Civil Service Retirement Act.

Subsection (i) provides that notwithstanding any other provision of section 1005, no rate of compensation which exceeds $21,500 shall be increased by such section, and no increase provided by such section shall cause the gross rate of compensation (basic plus additional compensation authorized by law) or the total annual compensation of any officer or employee to exceed $21,500.

Subsection (j) provides that, insofar as the provisions of section 1005 apply to officers and employees whose compensation is based on a monthly pay period which begins on the first day of the month, such provisions shall become effective on October 16, 1962. The purpose of subsection (j) is to insure that officers and employees in the legislative branch will receive pay increases at approximately the same time as other officers and employees covered by the conference substitute.

Saving Provision

Section 1006 provides, in effect, that no provision of the conference substitute shall operate to reduce any rate of salary, pay, or compensation of any officer or employee covered by the conference substitute.

Absorption of Costs

Under section 1007, the departments and agencies are directed to provide for absorption of the costs of salary increases from available funds of the executive departments, but this section is not to be considered to require any employee to be separated from the service or placed in a leave-without-pay status.

Effective Dates

Section 1008 provides that title VI, except as otherwise expressly provided, is to become effective on the first day of the first pay period after enactment.

Ceiling Provisions

Section 1009 makes it clear that, except as provided in section 1005, this act will not cause any rate of compensation to exceed $20,000 per annum.

PART III.—ADJUSTMENT OF ANNUITIES UNDER CIVIL SERVICE RETIREMENT ACT

The House bill contained no provisions such as are contained in the conference substitute under Part III, Adjustment of Annuities.

An explanation of part III of the conference substitute is set forth below.

Section 1101(a) provides a 5-percent increase, effective January 1, 1963, in all annuities then payable from the fund which commenced on or before that date.

Subsection (b) extends this initial increase on a graduated percentage basis to all annuities which commence in the 5-year period following January 1, 1963, in accordance with the following schedule:

Annuities commencing between—	Are increased from commencing date by—
Jan. 2, and Dec. 31, 1963	4 percent.
Jan. 1, and Dec. 31, 1964	3 percent.
Jan. 1, and Dec. 31, 1965	2 percent.
Jan. 1 and Dec. 31, 1966	1 percent.

Subsection (c) provides that the percentage increase granted a retiree under subsection (a) or (b) will apply to the annuity subsequently granted his survivor.

Subsection (d) excludes from the 1963 increase annuity amounts purchased at retirement by voluntary contributions.

Subsections (e) and (f) remove the ceilings on increases to retirees imposed by the 1952 and 1955 annuity increase laws. Under the annuity increase act of July 16, 1952, as amended by the act of August 31, 1954, no retiree's annuity (exclusive of that purchased by voluntary contributions) could be raised beyond $2,160. The act of August 11, 1955, similarly provided that no regular annuity could be increased under its terms beyond $4,104. These increase ceilings are repealed and made no longer effective on and after January 1, 1963. Each retiree affected by one or both of these ceilings who is still on the annuity rolls will be entitled to have his annuity rate reestablished as of January 1, 1963, as though these ceilings had never existed. This reestablished rate, plus a 5-percent 1963 increase, will be payable from and after January 1, 1963.

Subsection (g) states effective date provisions for increases.

Subsection (h) provides that monthly annuity rates after adjustment will be fixed to the nearest dollar.

Section 1102(a) adds a new subsection to section 1 of the Civil Service Retirement Act to define the term "price index" as the calendar year average of the monthly Consumer Price Index published by the Bureau of Labor Statistics.

Subsection (b) renumbers present section 18 of the Civil Service Retirement Act as section 19 and inserts a new section 18. New section 18 embodies an automatic annuity adjustment plan.

The new section 18 of the Civil Service Retirement Act provides for future adjustment of annuities as follows:

Subsection (a) directs the Civil Service Commission to annually determine, after January 1, 1964, and each succeeding January 1, the percentage change in living costs from 1962 or from the year preceding the most recent cost-of-living adjustment to the latest complete year. Depending on the price index change, adjustment actions ensue.

Subsection (a)(1) provides that if the price index change from 1962 to 1963 equals a rise of at least 3 percent, an increase will be allowable, effective April 1, 1964. All annuities which began before January 2, 1963, will be increased by the percentage rise in the price index, adjusted to the nearest one-tenth of 1 percent.

Subsection (a)(2) provides for automatic increases in annuities effective April 1 of any later year after the percentage change in the price index has equaled a rise of at least 3 percent. All annuities payable from the fund as of April 1 which commenced earlier than January 2 of the preceding year will be increased by the percentage rise in the price index, adjusted to the nearest one-tenth of 1 percent.

Subsection (b) states the general rule that eligibility for an increase is governed by the commencing date of each annuity payable as of the appropriate April 1 effective date, but with these exceptions to the rule:

Under subsection (b)(1), a retiree's survivor (other than a current act child survivor) on the roll as of the first cost-of-living increase, whose annuity started the date after the retiree's death, will receive the initial increase provided the retiree's commencing date of annuity was earlier than January 2 of the year preceding the first increase.

Under subsection (b)(2), the annuity of a retiree's survivor (other than a current act child survivor), which starts the day after the retiree's death and after the effective date of the first cost-of-living increase will be increased from commencing date by whatever percentage increase the retiree was receiving at death.

Under subsection (b)(3), a special method is provided for increasing annuities of child survivors under the current act. These annuities are unique in that they are not the product of years of service times percentage of average salary. The child's rate is the lesser of (i) a set percent of average salary or (ii) a dollar amount which cannot reflect living cost salary increments. Thus, for these annuities, the cost-of-living annuity adjustment must be built into the benefit formula. The following provisions are made for child-survivor annuities which commence after the effective date of the first cost-of-living increase:

Existing formula		Increase provided—proposed increase
Spouse surviving	No spouse surviving	
40 percent of average salary divided by number of children.	50 percent of average salary divided by number of children.	Cumulative cost-of-living percent granted after commencing date of retired parent's annuity. Inapplicable to children of employee, because his average salary includes living cost adjustments which pass on to children.
$1,800 divided by number of children.	$1,160 divided by number of children.	Cumulative cost-of-living percent currently authorized. Applicable to children of retiree and employee alike, because salary living cost adjustments can never pass on to children.
$600	$720	Cumulative cost-of-living percent currently authorized. Applicable to children of retiree and employee alike, because salary living cost adjustments can never pass on to children.

Provision is made for applying these formula changes to any child's annuity which commenced in the 15-month period before the effective date of the first increase as if such initial increase had been in effect. Resulting rate adjustments would start on the effective date of the initial cost-of-living increase.

Subsection (c) excludes from cost-of-living increases annuity amounts purchased at retirement by voluntary contributions.

Subsection (d) provides that monthly annuity rates after cost-of-living increase will be fixed at the nearest dollar.

Section 1103 amends sections 1(j), 9(g), and 10(a)(1) of the Retirement Act to revise and liberalize provisions for children survivors and election of reduced annuity with benefit to widow or widower.

The present section 9(g) of the act permits a married person retiring for any reason to irrevocably elect, in lieu of single life annuity, a reduced benefit carrying with it a survivor annuity to spouse, the choice to be made at time of retirement. The retiring individual may designate all or any portion of the single life annuity (excluding any increase because of disability retirement) as the base for annuity to spouse. To partially support the added survivor protection the retiring individual accepts, for life, his or her annuity reduced by 2½ percent of the first $2,400 and by 10 percent of any amount over $2,400 designated as the base for survivor annuity. Under the present section 10(a)(1), the named spouse becomes entitled to 50 percent of this base amount as widow's or widower's annuity, starting the day after the retiree's death and continuing until remarriage or death.

Under the conference substitute, section 9(g) of the act is amended to accord the retiring married employee a reduced benefit carrying with it a survivor annuity to spouse, unless he affirmatively elects to receive in lieu thereof the single life annuity. In the absence of the life annuity election, the total annuity (excluding any increase

because of disability retirement) or such lesser portion as may be designated at time of retirement will be used as the base for annuity to spouse, and the individual will receive, for life, his or her annuity reduced by 2½ percent of the first $3,600 and by 10 percent of any amount over $3,600 which serves as the base for annuity to spouse. Section 10(a)(1) of the act is amended to accord the named spouse 55 percent of the amount used for the survivor base as widow's or widower's annuity, which would start the day after the retiree's death and continue until remarriage or death.

Subsections (c), (d), and (e) similarly amend subsections (b), (c), and (e) of section 10 of the act to uniformly accord a named survivor or a spouse survivor 55 percent, instead of 50 percent, of the annuity in respect to the deceased former employee or member.

Under existing law survivorship benefits paid to a child cease when the child attains the age of 18, marries, or dies except that such benefits may continue past the age of 18 if the child is incapable of self-support due to a disability incurred before attaining the age of 18.

Subsection (f) of section 1103 of the conference substitute amends section 1(j) of the Retirement Act. The substitute retains all present termination provisions but adds the further exception that benefits may continue to the end of the school year in which the child attains the age of 21 only so long as the child pursues a full-time course of study in a high school, trade school, technical or vocational institute, junior college, college, university, or comparable recognized educational institution.

This change in the Civil Service Retirement Act is in keeping with veterans' benefit laws which provide for the continuance of benefits between the ages of 18 and 21 to unmarried children while taking an approved course of instruction.

Section 1104 specifies January 1, 1963, as the effective date for section 1101 and provides that amendments made by section 1103, except subsection (F), will not apply to employees or members retired or otherwise separated prior to date of enactment.

TOM MURRAY,
JAMES H. MORRISON,
ROBERT J. CORBETT,
Managers on the Part of the House.

○

access and make possible the sale of the full allowable cut of timber products from the national forests. Such an acceleration would also permit the development of multiple-purpose roads and trails and thereby intensify the use and enjoyment of all the resources of the national forests.

Of the 186 million acres of land under Forest Service administration, approximately 80 million acres are in or adjacent to present areas of labor surplus and low rural income. Acceleration of resource development would contribute materially to improving the economy of these areas.

The record shows that Federal funds invested in forest development roads and trails will return to the Treasury many times the amount of the investment, and therefore, insofar as possible, Federal appropriations should be used, rather than have the roads constructed by timber purchasers.

Mr. MCNAMARA. I would like the record to show that the senior Senator from Oregon is responsible for the progress that has been made on forest roads and trails. Every time a road bill has been before the Congress the progress we have made has stemmed from his good work. This bill incorporates his requests. The additional $10 million provided for 1963 added by the Senate resulted from the persuasive presentation to the President on July 26 which the senior Senator from Oregon personally made.

All of our forest resources today and in the future will be better because of the consistent good work of the Senator from Oregon. The lumber industry of this Nation, the conservationists and all who use the forests owe a debt of gratitude to him for the enlightened leadership he has demonstrated.

Mr. MORSE. I thank my colleague, but I point out that my colleagues in the Senate from Washington and Montana, along with the senior Senator from Idaho [Mr. CHURCH] have always worked on a team for the development of our forest resources.

Mr. BARTLETT. Mr. President, I congratulate and compliment, as did the Senator from Oregon [Mr. MORSE], the Senator from Michigan upon having done a superb piece of work on the highway bill. The bill means much to the entire country. It is another evidence of the devoted public interest of the Senator from Michigan.

Mr. President, with the consent of the Senator from Michigan, I submit an amendment to H.R. 12315 and ask that it be read. The amendment would add a new section at the bottom of the last page of H.R. 12315.

Mr. MILLER. Mr. President, may we have the amendment read?

Mr. BARTLETT. It might be relatively meaningless to have it read; it is quite long. I shall explain it, if the Senator from Michigan will permit me to do so.

The PRESIDING OFFICER. Without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

SEC. 13(a). That the Secretary of Commerce, in cooperation with the State of Alaska, is hereby authorized to make engineering studies and estimates and planning surveys relative to a highway construction program for the State of Alaska, and, in accordance with treaties or other agreements to be negotiated with Canada by the Secretary of State in consultation with the Secretary of Commerce, engineering studies, estimates, and planning surveys relative to roads in Canada to connect with Alaska.

(b) On or before May 15, 1964, the Secretary of Commerce shall submit a report to the Congress which shall include—

(1) an analysis of the adequacy of the Federal-aid highway program to provide for a satisfactory program in both the populated and the undeveloped areas in Alaska;

(2) specific recommendations as to the construction of roads through undeveloped areas of Alaska and to connect them with roads in Canada; and

(3) a feasible program for implementing such specific recommendations, including cost estimates, recommendations as to the sharing of cost responsibilities, and other pertinent matters.

(c) From time to time, either before or after submission of the report provided for in subsection (b) of this section, the Secretary of Commerce may submit recommendations to the Congress with respect to the construction of particular highways to carry out the purposes of this section.

(d) Nothing in this section shall be construed as creating any obligation in the Congress, express or implied, to carry out the recommendations referred to in subsections (a) and (b).

(e) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to be available until expended, the sum of $800,000 for the purpose of making the studies, surveys, and report authorized by subsections (a) and (b) hereof.

Mr. BARTLETT. Mr. President, the amendment incorporates the exact language of Senate Joint Resolution 137, which passed the Senate on July 23 last.

The amendment was originated and sponsored by my colleague from Alaska [Mr. GRUENING], who is a member of the Committee on Public Works. At the moment, he is traveling over the roads of Alaska. If the amendment is accepted, we hope and expect that better travel will be provided on those roads in the future.

The amendment authorizes the appropriation of $800,000 for certain engineering studies and estimates with respect to the entire roads network. This work has been long delayed. It should have been done years ago, but it has not been done. So the amendment will offer an opportunity to accomplish the very desirable purpose sought.

The reason why I am offering the amendment in behalf of the junior Senator from Alaska is that an unusual situation developed in the House. The joint resolution was approved by the House Committee on Public Works. It is my understanding that it was to have been placed on the suspension list in the House on Monday of this week. But because of a clerical error or a clerical failure, that was not done. If the action is not handled in this manner, there is grave danger that the language will not become a part of the law this year, and it is most important that there be early enactment.

The language of the joint resolution is strongly supported by the administration, particularly the Department of Commerce. I hope the chairman of the subcommittee will accept it.

Mr. MCNAMARA. Is the amendment in exactly the same form as the joint resolution which previously passed the Senate?

Mr. BARTLETT. Literally so; not a comma has been changed.

Mr. MCNAMARA. It has passed through the committees of both the House and the Senate and has the approval of all the agencies concerned.

Mr. BARTLETT. That is true. Not only that; it passed the Senate itself on July 23.

Mr. MCNAMARA. Yes. The Senator has made that point quite plain.

Mr. President, speaking for the committee, I have no reluctance to accept the amendment as presented by the Senator from Alaska and shall take it to conference.

Mr. COOPER. Mr. President, do I understand that the amendment in the form of a separate measure previously passed the Senate?

Mr. BARTLETT. Yes.

Mr. COOPER. It has not been passed by the House?

Mr. BARTLETT. No. We are confident that it would have been passed on Monday had it been placed on the suspension list, as it was supposed to have been.

Mr. MCNAMARA. We have been advised by the Department of Commerce that this item was omitted from the Consent Calendar in the House through inadvertence on the part of the Clerk. The House recommends this procedure.

Mr. COOPER. I have no objection to the amendment.

Mr. RUSSELL. Mr. President, is not this the same language as that of the measure which passed the Senate, with an amendment which provided that nothing therein contained was to commit Congress?

Mr. MCNAMARA. That is exactly correct. We seek to adopt this amendment in the same form.

Mr. RUSSELL. Is that language now in the bill?

Mr. MCNAMARA. I understand that every word in the proposed amendment is in exactly the same form as the measure which passed the Senate.

Mr. RUSSELL. I thank the Senator from Michigan.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Alaska is agreed to.

POSTAL SERVICE AND FEDERAL EMPLOYEES SALARY ACT OF 1962

Mr. JOHNSTON. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on the postal rate and pay bill.

The PRESIDING OFFICER (Mr. PELL in the chair) laid before the Senate a message from the House further insisting upon its disagreement to the amendment of the Senate to the bill (H.R. 7927) to adjust postal rates, and for other purposes; requesting a further conference with the Senate on the disagreeing votes

of the two Houses thereon, and that Mr. MURRAY, Mr. MORRISON, and Mr. CORBETT were appointed managers on the part of the House at the further conference.

Mr. President, I move that the Senate agree to a further conference with the House and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. JOHNSTON, Mr. MONRONEY, and Mr. CARLSON conferees on the part of the Senate.

Mr. McNAMARA. Mr. President, I yield to the Senator from New Jersey [Mr. CASE], if I may do so without losing the floor.

The PRESIDING OFFICER (Mr. SMITH of Massachusetts in the chair). Without objection, it is so ordered.

Mr. CASE. I thank the Senator from Michigan. I wish to make a little legislative history in connection with the bill.

Mr. President, I have become increasingly convinced that we are not going to solve any of the great problems of the metropolitan areas of the country until we provide more effectively for comprehensive planning for all their needs, including the planning for transportation, and that in the planning for transportation we must take into account a balanced transportation system, including rapid transit, highways, passenger cars, and all the rest.

I am happy to see that in his transportation message the President took cognizance of this need. I applaud him for it.

Pursuant to the President's message in April of this year, the bill introduced by the Senator from Michigan, S. 3136, provides specifically, in section 7, a requirement that before the Secretary of Commerce approves specific projects—that is to say, highway projects—for any metropolitan area, he shall find that they are consistent with adequate, comprehensive plans for metropolitan areas. This is spelled out in some detail.

I think the Senator from Michigan rendered a great service by introducing the bill with that provision contained in it.

The House made rather substantial changes in that section, which is section 134 of the Highway Code. This action gave me some concern. I called it to the attention of the Senate Committee on Public Works, and I know the committee gave this subject consideration. In the end, they agreed with the House on the language in question; and in section 9 of the bill before us, the same subject is covered—that is, section 9 of House bill 12135, as it is before us with the Senate amendment.

When I saw that the action taken by the Senate committee agreed with the action taken in this regard by the House, I took up the matter with the Under Secretary of Commerce for Transportation, because I had been given to understand—based on the reports—that neither the House nor the Senate committee intended to depart from the basic requirement for the development of comprehensive planning for transportation purposes, for metropolitan areas. It had been said that the effect of the measure the House passed would be to require, not planning for all forms of transportation, but only planning for highways, and that therefore one of the main objectives, and one with which I had been concerned, had been thrown out the window.

So I wrote to the Secretary of Commerce. I am happy to say that I have received a letter, dated September 20, from the Under Secretary of Commerce for Transportation, Clarence D. Martin, Jr. I have given a copy of the letter to the Senator from Michigan, and he now has it before him.

In the letter, the Under Secretary of Commerce, after describing what he regards as certain minor and irrelevant amendments effected by the House itself and approved by the Senate committee, makes the following statement:

> The elimination or change of any language in that section of the original administration bill—

Being section 7 of the McNamara bill to which I have referred—

> has no significance other than what I have stated here. We would have no reluctance to having reinserted in the language the word "balanced" in line 25, page 8, of H.R. 12135, now pending in the Senate. We also would have no objection to the reinsertion at the end of the section on line 16, page 9, the language of the original administration bill reading "and that the Federal-aid system so developed will be an integral part of a soundly based, balanced transportation system for the area involved." It is our belief, however, that the language in the presently pending bill adequately covers the requirements that planning consideration must be given to all modes of transport and the planning process must give consideration to overall development plans of urban areas.

The letter has other paragraphs; and I ask unanimous consent that the full text of the letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE UNDER SECRETARY OF COMMERCE FOR TRANSPORTATION,
Washington, D.C., September 20, 1962.

Hon. CLIFFORD P. CASE,
U.S. Senate, Washington, D.C.

DEAR SENATOR CASE: This letter is being written in the hope that it will clear up an unfortunate misunderstanding over one of the provisions contained in the Highway Act of 1962.

The section of the legislation referred to is section 9 of H.R. 12135, Transportation Planning in Certain Urban Areas. This section was contained in the legislation prepared by the administration in connection with the President's message to Congress on transportation April 5, 1962. The legislation was introduced by Senator MCNAMARA (S. 3136) and by Congressman BUCKLEY (H.R. 11199). The original language was amended in an executive session of the House Public Works Committee following public hearings April 17 and 18 and May 1 and 2. We feel that two substantive changes were made by the amendments. One is the limitation that the required urban planning section would apply only to urban areas of more than 50,000 population. The second eliminated the possibly that an urban area could qualify under this section by merely adopting a specific comprehensive plan instead of establishing a continuous planning process which would give consideration to total transportation needs in relation to continuing comprehensive community planning.

These changes were made with the concurrence of the Commerce Department and the Bureau of Public Roads. They had the support of several organizations which testified before the committee including the Honorable Ben West, Mayor of Nashville, Tenn., who was spokesman for the American Municipal Association. In his testimony he said in part (hearings before the House Subcommittee on Roads, p. 163):

"That portion of the proposal requiring that a continuing planning process be established seems reasonable and not overly restrictive and is supported by our association. That portion requiring that the projects are part of a comprehensive development plan does seem to be unreasonable. Unreasonable in that comprehensive plan for an area can only be a general guide for development of the area. Even then the plan is not static but needs continual revision as a part of the planning process. We recommend that this requirement be deleted from the bill."

The change limiting the application of this section to urban areas over 50,000 population was made in the belief that requiring smaller urban areas to establish a continuous comprehensive transportation planning process would be an undue financial burden.

The elimination or change of any language in that section of the original administration bill has no significance other than what I have stated here. We would have no reluctance to having reinserted in the language the word "balanced" in line 25, page 8, of H.R. 12135, now pending in the Senate. We also would have no objection to the reinsertion at the end of the section on line 16, page 9, the language of the original Administration bill reading "and that the Federal-aid system so developed will be an integral part of a soundly based, balanced transportation system for the area involved." It is our belief, however, that the language in the presently pending bill adequately covers the requirements that planning consideration must be given to all modes of transport and the planning process must give consideration to overall development plans of urban areas.

I hope this letter and the assurances contained herein adequately answer any questions relating to the interpretations we place on this particular section of the pending legislation.

We have been advised by the Bureau of the Budget that there would be no objection to the submission of this letter from the standpoint of the administration's program.

Sincerely,

CLARENCE D. MARTIN, Jr.

Mr. CASE. Mr. President, my question to the Senator from Michigan [Mr. MCNAMARA], in charge of the bill, is, first, whether he agrees that the Senate committee had no intention other than that expressed in the letter of the Under Secretary of Commerce, Mr. Martin, and that the requirement for comprehensive planning for all forms of transportation is still in the bill.

Mr. McNAMARA. Mr. President, I have before me a copy of the letter to which the Senator from New Jersey has referred; and I agree with the statement made by Under Secretary Martin in dealing with this matter, and I am sure that was the intent.

Mr. CASE. Does the Senator from Michigan also agree that there has been no change in the original intent, although the language is changed in some particulars?

POSTAL SERVICE AND FEDERAL EMPLOYEES SALARY ACT OF 1962—CONFERENCE REPORT

Mr. RUSSELL. Mr. President, I suggest the absence of a quorum.

Mr. MANSFIELD. Mr. President, will the Senator from Georgia withhold briefly his request?

Mr. RUSSELL. Yes; briefly.

Mr. MANSFIELD. Mr. President, I believe the Senator from South Carolina [Mr. JOHNSTON] wishes to call up the conference report on the postal rate and pay bill.

Mr. JOHNSTON. Mr. President——

Mr. RUSSELL. Mr. President, I should like to know how long it is anticipated the consideration of this report will take.

Mr. JOHNSTON. I do not think it will take more than 2 minutes.

The House objected to one feature of the retirement provision which was in conference, and wished to have it stricken out.

There has been unanimous agreement in regard to the other provisions of the bill.

The House objects to the one section which provides for the payment from the civil service retirement and disability fund increases provided for in the bill. The House objected to that, on the ground that it constituted an appropriation in violation of the House rules.

Therefore, that provision is being stricken out; and that is all there is to the conference report.

Mr. RUSSELL. So I understand that the Senator from South Carolina is proposing that such funds be provided, not from the retirement funds, but by means of an authorization bill and, thereafter, an appropriation; is that correct?

Mr. JOHNSTON. Yes; and I do not think there is any opposition to this arrangement. The conferees met and, in a minute, agreed that we would have to abide by the rule; and the conference report is now ready for action by the Senate.

Mr. RUSSELL. Mr. President, I do not agree that there is a rule that a provision adopted by one House is subject to a point of order in the other. If some provision is adopted by the Senate, certainly it is not subject to a point of order in the other body.

Every time an appropriation bill is received by the Senate—and the Senate always receives them late, because the House insists on originating the appropriation bills, and holds them up, and they come to the Senate late in the fiscal year—we find that they include legislation; and although there is in each House a rule prohibiting the inclusion of legislation in an appropriation bill, nevertheless, if the House votes to include legislation in an appropriation bill, such legislation is not subject to a point of order in the Senate.

Mr. JOHNSTON. I agree entirely with the Senator from Georgia, but under the circumstances, it seems to me there is nothing else for us to do.

Mr. RUSSELL. Mr. President, if the Senator from South Carolina does not anticipate any controversy in regard to the conference report, I shall be glad to withhold, temporarily, my remarks.

Mr. JOHNSTON. I thank the Senator from Georgia.

Mr. MANSFIELD. Mr. President, if the Senator from Georgia is willing to comply with my request that the report be laid down now, I should like to have it laid down, and then to suggest the absence of a quorum.

Mr. RUSSELL. Very well.

Mr. JOHNSTON. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7927) to adjust postal rates, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. (Mr. SMITH of Massachusetts in the chair). The report will be read, for the information of the Senate.

(For text of conference report, see House proceedings for today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, as the Senate has been advised, a point of order has been sustained in the House of Representatives against section 1104 on the ground that it constitutes an appropriation in violation of the House rules.

Section 1104 provided that increases for retired employees could be paid out of the civil service retirement and disability fund notwithstanding the provisions of Public Law 85–844.

The new conference report omits the provision in question.

The Senate conferees agreed to have stricken from the bill the section that has to do with payment out of the retirement and disability fund.

The point of order was raised in the House, and it was upheld. The bill was sent back to conference. The conferees have met. The Senate conferees agreed to strike that section of the bill.

There is nothing for us to do but to adopt the conference report and to make other arrangements as to how and when the increases provided for in the bill will be paid.

The conference report was agreed to unanimously.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield.

Mr. CARLSON. I concur in the statement just made by the Senator from South Carolina, the chairman of the Committee on Post Office and Civil Service. I regret that we must accept the conference without the provision relating to increased benefits for the retired, and that we are forced to ask the Senate to accept the striking of that amendment, but it was necessary that it be done to comply with the House rules. I regret it because it may delay increased payments to the retired Federal workers, to which they are entitled. Now provision for retirees depends on getting an appropriation from the Appropriations Committee and putting it into effect.

Notwithstanding that situation, I submit that the Senate should agree to the conference report on the bill as amended, in order that action may be started at the earliest possible date on a program to help the retirees.

Mr. JOHNSTON. I think I should also invite the attention of Senators to the fact that in the past we have provided for such increased retirement payments as were provided in this particular bill, but no point of order was raised, and the retirees were paid. This time a point of order was raised. There is nothing else for us to do as conferees but recommend that the Senate adopt the conference report.

So I move that the Senate agree to the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr JOHNSTON. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

A SALUTE TO AMBASSADOR WILLIAM C. DOHERTY

Mr. KUCHEL. Mr. President, I salute the nomination of William C. Doherty as our first Ambassador to Jamaica. This is an outstanding appointment worthy of respect and congratulations.

William C. Doherty is a personal friend of mine—and of almost every Member of the U.S. Senate. I treasure his friendship but I salute this appointment on the basis of Bill Doherty's excellent qualities and abilities.

The appointment of William C. Doherty is a clear documentation of what Americans have been trying to tell the world—that any boy born in this country, no matter how impoverished his circumstances may have been, can rise to the highest positions of responsibility within the gift of the Nation if he has the ability, the integrity, the genius necessary for the position he seeks.

Bill Doherty was born in Cincinnati, Ohio, in 1902—and he is the first one to say that, by the standards of 60 years ago, it was on the the farther side of the tracks. His people were poor but—in the words of President Eisenhower, spoken at Abilene, Kans., in 1952—it is the glory of America that they did not know they were poor. They had all the human qualities that make honest people feel possessed of great wealth—the spiritual wealth that is of far more value than mere material wealth.

Bill Doherty was never granted the boon of higher education. The financial

circumstances of his family precluded that. But, instead of becoming disheartened by this fact, he characteristically determined to overcome it. He educated himself studiously and diligently until the reached the point where he can walk with savants and scholars without, for even a moment, being out of step. Indeed, if everyone were capable of educating himself as thoroughly and as exhaustively as William C. Doherty has done, we would have little use for school teachers. But, of course, everyone is not so capable. Few people have the talent and the determination that Bill Doherty has shown in acquiring a knowledge and a culture that extends over many areas and runs as deeply as it runs abroad.

After serving honorably with the U.S. Army in our Siberian campaign, after World War I, Bill Doherty returned to Cincinnati and entered the postal service as a letter carrier. He carried the letter carrier's sack upon his back and he carried it well. However, his talents were so obvious to his fellow workers that he began a swift upward climb within the National Association of Letter Carriers, culminating in his election as President in 1941. Two years later he became vice president of the old American Federation of Labor and, since the AFL amalgamated with the CIO in 1955, he has been one of the senior vice presidents of the AFL–CIO.

His talents were so recognizable and his integrity so unassailable that President George Meany of the AFL determined to give them even greater scope than they had previously enjoyed. Bill Doherty was encouraged to broaden his activities into the international field and he has done this with high distinction.

In 1945 he was invited by Gen. Lucius D. Clay to help reestablish free trade unions in Germany. Twice he was invited to attend the British Trade Union Congress as a fraternal delegate (a unique distinction, incidentally) and in 1949 he participated, as one of the founders, in the formation of the International Confederation of Free Trade Unions in London, England.

Two Presidents, each of different political parties, have recognized his talents in the foreign relations field. In 1956 President Dwight D. Eisenhower appointed him to the official delegation, led by Vice President Richard M. Nixon, to the inauguration of the then-President of Brazil. In 1961 President John F. Kennedy appointed him as a delegate to the International Conference at Punta del Este, Uruguay, and just last August, the President appointed him as a Special Ambassador to accompany Vice President LYNDON B. JOHNSON to the independence ceremonies at Kingston, Jamaica. And now, as the aftermath of that experience, comes the nomination as Ambassador to that country.

This, Mr. President, is the sort of thing we Americans have been talking about. This is the real American dream—the dream that Soviet Russia and the other Communist and enemies of freedom have been saying isn't true. The nomination of William C. Doherty as Ambassador proves the truth of the dream—it proves that in a free society such as ours, first-class men can, and do, and will, rise to the top if they will only use what talents the Almighty has given them.

I congratulate Bill Doherty upon his nomination. But, even more so, I congratulate President Kennedy on having made that nomination.

U.S. POLICY TOWARD EASTERN EUROPE

Mr. HUMPHREY. Mr. President, some recent hearings by the European Subcommittee of the House Committee on Foreign Affairs provided an opportunity for the expression of American concern for the self-determination and well-being of the peoples behind the Iron Curtain. One of the byproducts of these hearings was an official statement of American policy toward Eastern Europe—a statement which in my view puts our announced policy on a new level of maturity, insight, and firmness. I am gratified, therefore, to share with my colleagues the full text of the statement delivered before the subcommittee on September 13 by Mr. William R. Tyler, Assistant Secretary of State for European Affairs. If I am not mistaken, this is one of the first, if not the first, major policy statement made by Mr. Tyler since he succeeded to the post occupied for so many years by Mr. Foy Kohler, our newly appointed Ambassador to the Soviet Union. It is an auspicious beginning.

I ask unanimous consent that the statement of Assistant Secretary Tyler be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF MR. WILLIAM R. TYLER, ASSISTANT SECRETARY OF STATE FOR EUROPEAN AFFAIRS, BEFORE THE EUROPEAN SUBCOMMITTEE, HOUSE COMMITTEE ON FOREIGN AFFAIRS, SEPTEMBER 13, 1962.

POLITICAL BACKGROUND

It is evident that significant changes have taken place since 1953 in Moscow's approach to its control of Eastern Europe. The former monolithic system of centralized and total domination instituted and maintained by Stalin was severely shaken after his death, and Khrushchev launched a new policy in Eastern Europe to replace it. This policy appears to be based on two basic principles: Moscow will still retain primary authority and exercise tutelage in the field of foreign policy and ideology, but it will leave to each individual bloc government and party, within strictly defined doctrinal limits determined by the Soviet Union, the details of internal development and day-to-day conduct of internal affairs. Thus, the bloc regimes of Eastern Europe have gradually been given the appearance, not of full-fledged partners of the Soviet Union, but of junior allies, each charged with making a go of the system in its country. Of course, Soviet military power remains the ultimate force that sustains the power and authority of the Communist minorities, guarantees the continued existence of the regimes, and prevents any national defection from the Soviet bloc. This policy is the natural aftermath of the disavowal and discard of certain essential elements of Stalin's rigid and utterly repressive methods of rule.

Fear of a renascent militarist Germany is a significant factor among some elements of the Polish and Czech population that tends psychologically to make their relationship with the Soviet Union, if not more acceptable at least more tolerable. This factor is also operative, though less important, in the other Soviet bloc states.

The crises produced in Eastern Europe by the Soviet repudiation of Stalin's system, which reached their peak in 1956, where brought under control by the open use, or the implied threat, of Soviet armed force. The Soviet leaders also made it clear to all nationalist dissident and revisionist elements after the Hungarian national uprising that the process of de-Stalinization had definite limits and that any organized opposition would be crushed by Soviet power. On the other hand, the problems of adapting Soviet de-Stalinization policies to the individual bloc countries and of coping with the impact of the Sino-Soviet controversy continue to have an unsettling effect upon the composition and standing of certain of the Eastern European regimes where Stalinist elements still hold positions of influence and are reluctant to abandon past methods. At the same time, those bloc leaders who have openly repudiated Stalinism and who appear to stand close to Khrushchev, such as Gomulka in Poland and Kadar in Hungary, have been exercising increasing autonomy in internal affairs. Gomulka used the 22d Party Congress to reinforce his gradualist and unique approach to Polish agriculture by going beyond the Soviet criticism of Stalin, to identify forcible collectivization as the root cause of Stalinism. And Kadar reasserted Hungarian autonomy in internal matters by denying that the decisions of the 22d Party Congress were mandatory for all Communist Parties. With growing confidence in his ability to control or get rid of Stalinist elements in his party, the Hungarian leader has encouraged the participation of non-Communists in his moderate internal program by affirming the dictum that "who is not against us is with us."

Khrushchev's new approach to his relationships with the regimes of Eastern Europe serves Soviet interests in many ways. It does not vitiate the essential Soviet military control of the area and continues to require that the bloc regimes follow the Soviet lead on foreign policy issues. At the same time, however, it permits these regimes to assume an outward semblance of independence and sovereignty, which contributes to their stability. Khrushchev's policy is abetted by popular impressions of the growth of Soviet power which have tended to bolster, in turn, the confidence of the bloc regimes in Soviet leadership as well as in the security of their own position.

Within the limits indicated, each of these countries has evolved with some diversity in form and institutions, according to its own conditions, under the pressure of the post-Stalin changes in the U.S.S.R. Except for Poland, where there has been a definite liberalization of internal rule and lack of pressure for collectivization of the land, none of these states has as yet modified in any essential way, the standard Communist program or displayed any real independence in relations with the United States. But most of the others in varying degree have copied Moscow in such matters as abandoning some of the ruthless practices of police rule and putting more stress on the use of economic incentives rather than arbitrary and coercive methods in their efforts to stimulate productivity. On the other hand, with the exception again of Poland, there has been litle disposition to ease the controls over public information, the arts, and the intellectual professions, as most of these regimes remain fearful of the consequences. While the risk of overthrow has been largely banished, the criticism from below and the

current estimated cost of constructing the Cross-Florida Barge Canal project is $173,600,000, of which $168 million would be Federal cost. However, we have been making a detailed review of our cost estimate for the project, and from the information developed to date, the current cost estimate will be greatly reduced.

The existing Okeechobee Waterway provides a channel 8 feet deep and 80 feet wide from the Intracoastal Waterway near St. Lucie Inlet to the Gulf of Mexico near Fort Myers Beach. This waterway includes three locks, 50 feet wide and 250 feet long. In 1958, preliminary cost estimates were made for enlarging the Okeechobee Waterway to the same design criteria established for the Cross-Florida Barge Canal Project. Those estimates showed that the cost of enlarging the Okeechobee Waterway would exceed $100 million. Traffic studies also showed that the volume of commerce that would use an enlarged Okeechobee Waterway, and the transportation savings therefrom, would be far from sufficient to justify the large cost of improvement of the existing waterway to the dimensions of the Cross-Florida Barge Canal.

I trust that the foregoing information is sufficient for your needs. Looking forward to seeing you in the future, I remain

Sincerely yours,

ROBERT C. MARSHALL,
Colonel, Corps of Engineers; Assistant Director of Civil Works for Eastern Divisions.

Another argument made is that the proposed Cross-Florida Barge Canal is not the "missing link" envisoned by the Mississippi Valley Association and others since the western terminus is in the Gulf of Mexico necessitating barge transit across open waters. This is answered pointblank by the Chief of Engineers in House Document No. 109, 79th Congress:

With reference to the use by Intracoastal Waterway traffic of the open gulf between the eastern terminus of the present Intracoastal Waterway in the vicinity of Apalachee Bay and the gulf terminus of the above mentioned barge canal, it may be stated that coastwise traffic now follows this route and that while some danger is connected therewith, I am informed that there is very little time lost in navigating this portion of the gulf. Accordingly, it would be possible to eliminate that section of the Intracoastal Waterway from the improvements proposed in H.R. 6999 and still move very large quantities of commerce by barge from terminals along the gulf coast to the eastern seaboard with the completion of the other improvements proposed in the bill.

In addition, Engineer H. H. Buckman, president of the National Rivers and Harbors Congress, states:

One acquainted with barge navigation will recognize the following facts:

(a) Barge traffic is now, and has been for many years, moving over the Apalachee Bay reach from the terminus of the Gulf Intracoastal Waterway near Carrabelle to the mouth of the Withlacoochee River adjacent the proposed gulf terminus of the Cross-Florida Barge Canal project, and to Cedar Keys and other points on the Florida west coast.

(b) The ease of barge navigation and the safety thereof in open water is not primarily dependent upon conditions of wave and water, but on the power of the tug. The power of the tug used on our Intracoastal and other inland waterways has been constantly increasing during the past two decades, and relatively short hauls, like that in question, over coastal waters are now routine. Almost all major routine barge movement over our inland waters are now propelled or towed by tugs sufficiently powerful to move barges safely in the coastal waters of Apalachee Bay.

Mr. Speaker, I could not sum up the case for this much-needed project better than the following letter to Senator ELLENDER from the Mississippi Valley Association made up of non-Floridians:

MISSISSIPPI VALLEY ASSOCIATION,
St. Louis, Mo., August 20, 1962.

Hon. ALLEN J. ELLENDER,
Chairman, Public Works Subcommittee, Senate Appropriations Committee, Washington, D.C.

DEAR SENATOR ELLENDER: The Mississippi Valley Association is distressed to learn that the House of Representatives has disallowed the budget request of $205,000 for advance planning and design on the Cross-Florida Barge Canal. We had requested an appropriation of $1 million for this project with the balance of the money to be used to initiate construction following completion of the advanced planning and design.

We view with amazement the reasoning which the House Appropriations Committee used in disallowing this project, as contained on pages 38 and 39 of House Report No. 2223, dated August 14, 1962, and which accompanied H.R. 12900. That this important House committee could have been so misled by the only opponent of this project, the American Association of Railroads, in the face of such overwhelming justification for the project, is almost beyond belief.

The House committee refers to the estimated total cost of this project as being $145,300,000 in 1962 as compared to only $44 million when it was authorized in 1942. If the project had been built when it was authorized, a savings of more than $100 million would have been effected, and the project would long since have paid for itself.

As you know, the Corps of Engineers engaged the Arthur D. Little Co. to do an economic evaluation of this project. This firm has a world-wide reputation which certainly cannot be questioned, and their disinterested evaluation gave the project a benefit-cost ratio of 4.6 to 1 for a project life of 50 years. The Corps of Engineers in their evaluation reduced the average annual tonnage and benefit estimates of the Little Co. by approximately 75 percent which appears to be unreasonably low to us, but this still provided a favorable benefit-cost ratio of 1.2 to 1. The committee notes in its report that a group opposed to the project contends that the benefit-cost ratio is only 0.13 to 1 and apparently gives this estimate by the railroads the same weight as those made by the Little Co. and the Corps of Engineers which were based upon many years of experience and knowledge and with no selfish motive involved.

The main difference between the benefit-cost ratios suggested by the Little Co. and those of the Corps of Engineers is based upon the vast difference in the estimated freight tonnage between the two. The Little Co. estimates annual tonnage during the first 50 years of the project's life of 10,727,000 while the Corps of Engineers estimate is only 2,500,000. As previously stated, the Corps of Engineers estimate appears to be unreasonably low to us.

In the August 1962 issue of the Mississippi Valley Association's Newsletter, we reported a news release from the New Orleans District Engineer which stated, in part, "A new record in barge traffic was established in 1961 on the Gulf Intracoastal Waterway, Colonel Jennings said. He noted that a total of 58,866,964 tons of commerce passed over this major inland transportation artery which runs from Apalachicola Bay, Fla., to the Mexican border. This is a 3,918,305-ton increase over 1960 traffic."

The Gulf Intracoastal Waterway, which will feed the Cross-Florida Barge Canal, is already carrying nearly 59 million tons of commerce and is experiencing a single-year increase of almost 4 million tons in 1961. It appears inconceivable to us that the Cross-Florida Barge Canal will carry only 2½ million tons annually as estimated by the Corps of Army Engineers. The 10,727,000 tons estimated by the Little Co. appears to be a much more realistic appraisal of the situation, including their benefit-cost ratio of 4.6 to 1. The Gulf Intracoastal Canal currently shows a benefit-cost ratio of approximately 15 to 1.

The report notes that "testimony solicited by the committee during the course of the hearings indicates that 80 percent of the claimed total benefits in the movement of commodities on completion of this canal would revert to the State of Florida and that its national significance is limited to 20 percent of the benefits."

This erroneous conclusion was presumably based on a notation in the justification provided by the Corps of Engineers which the committee apparently misinterpreted. The Corps of Engineers' statement says: "About 20 percent of the barge canal prospective traffic could be classified as through traffic in that it would move through the length of the barge canal generally to and from points beyond Florida. The balance would be termed local traffic, 80 percent of which would be classed as interstate commerce in that it would either originate in Florida and move to another State, or originate in another State and move to Florida."

We believe a correct interpretation of this statement is that 20 percent of the total traffic will move through the entire length of the canal and have no direct connection with Florida. Of the remaining total traffic, 30 per cent would be "intrastate" in nature and 80 percent would be "interstate" traffic. In other words, only 16 percent of the total traffic will be within Florida and 84 percent of the total traffic will be interstate traffic. Saying that 80 percent of the total traffic will benefit only Florida is like saying that New Orleans will get 80 percent of the benefits from the Mississippi River gulf outlet project or that Louisiana and Texas receive 80 percent of the benefits of the Gulf Intracoastal Waterway." The people of the United States benefit from the proper development of this Nation's water resources and the Cross-Florida Barge Canal is no exception.

Additionally, the division engineer states in his testimony before the House Committee that all the estimates of the Corps of Engineers on the Cross-Florida Barge Canal are based on "the limits of the project." In other words, the estimates of traffic do not contemplate construction of the Intracoastal Waterway from St. Marks to Tampa, which is now under study by the Corps of Engineers. If this project is feasible, and we believe it will be, then total traffic, particularly through traffic, on the Cross-Florida Barge Canal should greatly exceed the Corps' present estimates.

For years the Cross-Florida Barge Canal has been called the "missing link" in our transportation system. The Cross-Florida Barge Canal, together with the St. Marks to Tampa Canal, would tie the Gulf Intracoastal Waterway system to the Atlantic Intercoastal Waterway system and would benefit the eastern two-thirds of our country, encompassing that area from Montana to New England and from the Canadian border to the Gulf of Mexico. Certainly, Florida would benefit by the construction of the Cross-Florida Barge Canal, but the major benefits would accrue to the citizens adjacent to all our inland waterways, including the Mississippi Valley, and it is for this reason that the Mississippi Valley Association has long been in the forefront of the proponents of the project.

It is an old axiom of the inland waterways that it costs as much to load and un-

load a bulk commodity from a barge as it does to transport the barge 600 miles. Since the economics of barge transportation are predicated on relatively long hauls, it seems apparent that construction of the Cross-Florida Barge Canal would have little, if any, adverse effect upon the economics of the existing Intracoastal Waterways on both coasts of Florida, as the House committee contends.

The report of the House committee concludes with the statement that * * * "Since the authorization of this project was 20 years ago and its feasibility and economics are in this committee's opinion questionable, it seems only appropriate that the legislative committees and Congress should reaffirm its authorization before it is again presented to the Appropriations Committee for funding."

In the opinion of the Mississippi Valley Association, this was a good project when it was authorized 20 years ago, and its feasibility and economics are even better now than they were at the time of the original authorization. We believe this project is important to the welfare of the United States and that it should be built without further delay. We, therefore, again request that the Senate Appropriations Committee approve the sum of $1 million to complete advanced planning and design and to initiate construction of the Cross-Florida Barge Canal.

Respectfully submitted.

GLADE R. KIRKPATRICK,
Chairman of the Board.
EVERETT T. WINTER,
Executive Vice President.

GENERAL LEAVE TO EXTEND REMARKS

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks in the RECORD on the conference report just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

CONCETTA MARIA, ET AL.

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 12402) for the relief of Concetta Maria, Rosetta, and Tomasino Mangiaracina, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert "That, for the purposes of the Act of September 26, 1961 (Public Law 87-301), Concetta Maria, Rosetta, and Tomasino Mangiaracina shall be deemed to be within the purview of section 25 of that Act."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

Mr. HALLECK. Mr. Speaker, reserving the right to object, and I shall not object, I think probably this is an opportune time for me to make a very short statement. I am sure it is the hope of all of us that we are coming into the closing days of this session. As we know from past experience many things have to be done by unanimous consent. I think all of us on both sides of the aisle understand that.

Mr. Speaker, I want to be cooperative, and I am going to be cooperative. But I just want to say, first of all, I hope when unanimous consent requests are made by Members on the majority side they will work with the minority members of the committees involved in order that there may be a complete understanding about what we are doing. Secondly, Mr. Speaker, may I say before I go any further that the gentleman from Pennsylvania talked to me about these particular unanimous consent requests. After some checking, I am very sure that they are in proper form and should be granted. But there have been a number of matters suggested to me that might be brought up here by unanimous consent. All I am saying, Mr. Speaker, is that I think we would get along much better and more expeditiously if these unanimous consent requests could be arranged for in advance so that all of us on our side could know and that I could know when they are coming up, because obviously no one of us can be here every minute of all the time we are in session. If we knew when they were coming, then we would have an opportunity to take whatever action might be deemed necessary in order to be sure that measures do not go by under unanimous consent that should not be passed or that some Members would object to if they knew about them and could be here for the purpose of objecting.

Mr. Speaker, I withdraw my reservation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

ELAINE VERONICA BRATHWAITE

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 1691) for the relief of Elaine Veronica Brathwaite, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Line 6, strike out "natural-born".

After line 7, insert:

"SEC. 2. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, Jessie Bamer shall be held and considered to be the alien minor child of Mr. Albert Bamer, a citizen of the United States."

After line 7, insert:

"SEC. 3. The natural mothers of the said Elaine Veronica Brathwaite and Jessie Bamer shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act."

Amend the title so as to read: "An Act for the relief of Elaine Veronica Brathwaite and Jessie Bamer."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

JOAN ROSA ORR

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 10605) for the relief of Joan Rosa Orr, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 7, strike out all after "such" where it appears for the first time down to and including "impose:" in line 11, and insert "Act:".

Page 1, line 11, strike out all after "That" over to and including "Code," in line 2 on page 2.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 11880. An act to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1447. An act to amend the District of Columbia Teachers' Salary Act of 1955, as amended, and to provide for the adjustment of annuities paid from the District of Columbia teachers' retirement and annuity fund;

S. 3313. An act to authorize an increase in the borrowing authority for the general fund of the District of Columbia; and

S. 3705. An act to amend the District of Columbia Police and Firemen's Salary Act of 1958, as amended, to increase salaries, to adjust pay alinement, and for other purposes.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 914. An act to provide for more effective administration of public assistance in the District of Columbia; to make certain relatives responsible for support of needy persons; and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4670) entitled "An act to amend the law relating to indecent publications in the District of Columbia."

TO ADJUST POSTAL RATES, AND FOR OTHER PURPOSES

Mr. MURRAY. Mr. Speaker, I call up the conference report on the bill (H.R. 7927) to adjust postal rates, and for other purposes, and ask unanimous consent that the statement of the managers

on the part of the House be read in lieu of the report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

Mr. GROSS. Mr. Speaker, reserving the right to object, and I do so in order to make a parliamentary inquiry, I desire to make a point of order against consideration of the conference report.

The SPEAKER pro tempore. The Chair is unable to hear the gentleman's parliamentary inquiry. Will the gentleman from Iowa state his parliamentary inquiry?

Mr. GROSS. Mr. Speaker, I desire to make a point of order against consideration of the conference report, and I ask to be recognized at the proper time to make that point of order.

The SPEAKER pro tempore. When the Clerk reports the title of the bill, the gentleman may be recognized.

The Clerk will report the title of the bill.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The gentleman from Iowa makes a point of order. The gentleman will state the point of order.

Mr. GROSS. Mr. Speaker, I make the point of order against the conference report on the ground that it violates clause 2 of rule XX of the House rules.

Clause 2, rule XX, reads in part as follows:

> Nor any amendment of the Senate providing for an appropriation upon any bill other than a general appropriation bill shall be agreed to by the managers on the part of the House unless specific authority to agree to such amendment shall first be given by the House by a separate vote on every such amendment.

Mr. Speaker, H.R. 7927 as passed with the amendment of the Senate provides in section 1104, page 110, the following:

> SEC. 1104. Notwithstanding any other provision of law, the benefits made payable under the Civil Service Retirement Act by reason of the enactment of this part shall be paid from the civil service retirement and disability fund.

The words "shall be paid from the civil service retirement and disability fund" constitute an appropriation within the meaning of clause 2 of rule XX.

For example, here are some decisions noted under clause 4 of rule XXI:

> A direction to pay out of Indian trust funds is not in order.
>
> * * * * *
>
> A direction to a departmental officer to pay a certain sum out of unexpended balances is equivalent to an appropriation and not in order.
>
> * * * * *
>
> Language reappropriating, making available, or diverting an appropriation or a portion of an appropriation already made for one purpose to another is not in order.

Mr. Speaker, since the pending conference report includes the language making an appropriation it is, I submit, out of order under clause 2 of rule XX.

Inasmuch as the House, when it sent the bill to conference, did not give specific authority to agree to such amendment I therefore submit that it is not in order for such language to be included in the conference report.

I make a point of order against the conference report on that basis.

Mr. Speaker, I cannot stand idly by and see the rules of the House and orderly procedure set aside for the sake of expediency. This section of the bill involves the expenditure of hundreds of millions of dollars and it seeks to make these funds available through what amounts to the back door of the Treasury. I insist that this added liability on the retirement fund be met through the appropriation process. There is involved here not a few thousand dollars, but in total and over a period of time a vast amount of money.

I point out again, as I did a few days ago, that the Federal employees retirement fund as of June 1962, was estimated to be $33,700 million in the red. This ought to be of the utmost concern to every Member of Congress.

The SPEAKER pro tempore. Does the gentleman from Tennessee [Mr. MURRAY] desire to be heard on the point of order?

Mr. MURRAY. I do not, Mr. Speaker.

The SPEAKER pro tempore (Mr. ALBERT). The gentleman from Iowa [Mr. GROSS] makes a point of order that the language contained on page 110, section 104, line 12, "shall be paid from the civil service retirement and disability fund" is in violation of clause 2, rule XX.

The Chair sustains the point of order.

Mr. MURRAY. Mr. Speaker, I move that the House insist upon its disagreement with the amendments of the Senate and request a conference with the Senate.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Tennessee.

The motion was agreed to.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees: Messrs. MURRAY, MORRISON, and CORBETT.

There was no objection.

THE FARM PROGRAM

(Mr. COOLEY asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. COOLEY. Mr. Speaker, I want to make a report on agriculture. Farm income is up, and Main Street is humming again. When this, the 87th Congress, convened in January of 1961, the Nation's agriculture, our basic and largest industry, was on the brink of bankruptcy. Honorable Ezra Taft Benson, in 8 years as Secretary of Agriculture, had reduced the Nation's general farm program to a shambles.

Farmers' net income had declined by more than $20 billion under Mr. Benson, as compared with the previous 8 years. Their earnings were at the lowest level, in relation to volume of their sales, for any period since the Department of Agriculture began keeping records. Average farm prices had reached their lowest, in terms of parity, for any year since the depths of the great depression. Per capital annual income of people living on farms was less than one-half that of nonfarm people.

Huge surpluses of food and fiber—$9 billion worth—were accumulated and piled high in swollen Government warehouses, at great costs to taxpayers.

This was the sorry situation in agriculture when this Congress convened.

GREAT GAINS FOR FARMERS

Now as the 87th Congress draws to a close, Mr. Speaker, it is my duty, as chairman of the House Committee on Agriculture, to review for the Members of the House, and to advise the country at large, concerning the work of this Congress in behalf of agriculture. Moreover, I deem it to be my obligation to bring into perspective for the Nation the circumstances of our farmers and their families who have made this the best fed and best clothed nation on earth.

Mr. Speaker, this Congress has accomplished more for agriculture than any Congress since the 1930's.

A Democratic administration took charge in Washington in January 1961. President John F. Kennedy appointed Orville L. Freeman the Secretary of Agriculture, to replace Mr. Benson.

The new administration and the 87th Congress, working as a team—although against tremendous opposition—promptly halted the long downslide in farm income.

Net earnings of farmers already have increased by $2 billion.

The pile-up of surplus upon surplus has been stopped.

Taxpayers have been saved many millions of dollars, on farm program costs.

And, Mr. Speaker, the discredited Benson programs of the 1950's—which brought the big surpluses and bigger costs—and the smaller and smaller income for the farmer—have been wiped off the statute books.

MORE IMPROVEMENTS AHEAD

There is a new mood of confidence for Rural America.

The Agricultural Act of 1962, just signed into law by the President, clears the way for further improvements in farm income, better resource use, lower Government costs, stable food prices, and constructive use of our farm abundance.

Let us review briefly the significant gains contributed by previous actions by the 87th Congress and by the new Democratic administration since early 1961.

Last year's net farm income of $12.8 billion was 10 percent higher than in 1960 and the highest since 1953.

Average income per farm was up 13 percent, from $2,960 to $3,360.

Hourly return per farmworker was 99 cents, compared with 83 cents in 1960.

MAIN STREET HUMMING

Business is humming again along Main Street.

Bank deposits and busines activity in 20 major farm states are 10 percent above 1960, an indication of farm prosperity and of the importance of farm income to business generally.

Income prospects for farmers this year are equally good, and prospects for next year may be even better under the 1963 program.

This increased income has provided better lives for farm people, new hope for rural communities and rural merchants, and new business for farm machinery and supply industries. While the rural economy has been boosted, the stocks of surplus farm commodities held by the Government have been cut sharply.

SURPLUSES CUT

The 1961 and 1962 programs will cut grain surpluses by some 27 percent.

The 1961 feed grain program has reduced carryover stocks of corn already by nearly 400 million bushels—the first reduction in 10 years.

The 1962 feed grain program promises equally good results.

The emergency wheat program enacted by Congress in 1961 will reduce the carryover stocks of wheat next year to the lowest level since 1957.

TAXPAYERS GET A BREAK AT LAST

Annual cost of storing and handling feed grain and wheat will be down $213 million as a result.

The major savings in the cost of farm programs remain to be realized, however. Passage of the Agricultural Act of 1962 insures that the results achieved in 1961 and 1962 can be continued into 1963 and 1964.

For the first time in more than 10 years, the Secretary of Agriculture will have—in 1964—a wheat program which he can administer properly and which will not add to the surpluses each year.

Feed grain stocks—more than 3 billion bushels last year—can be reduced to needed reserve levels by 1964.

Wheat stocks, which were 1,400 million bushels last year, can be cut to half that level by the mid-1960's.

The billion-dollar annual cost of carrying the surplus of farm products in 1960 will be cut in half, and eventually will represent only the costs of carrying needed food reserves.

There are no consumer price increases built into the 1962 farm bill. Food prices have been stable and should remain stable.

Sections of the Agricultural Act of 1962 relating to land use, recreation and rural development represent the first new direction in farm policy since the 1930's. The pilot program for placing unneeded farmland in nonagricultural uses, and the provisions for loans and technical assistance to encourage recreational development are new landmarks of farm legislation.

Indeed, agriculture again is looking up.

PARTISAN POLITICS HURT FARMERS

Mr. Speaker, there is great satisfaction in making this report to the House but I must say, in this regard, there is also some regret. In years past, as I have made other reports upon agriculture, it has given me great joy to turn to the Republican side of this House and commend many Members there—along with my Democratic colleagues—as devoted friends of agriculture who have placed the well-being of our farm people above any partisan advantage. My regret now is that this House has become a bitter partisan battleground, where the interests of our farm people are concerned, and that in this situation the great progress for agriculture in these last 2 years has been achieved often over the virtually solid opposition of the Republican side of this House.

Let me say to the House, as I often have said before, that our farm people are Democrats and they are Republicans. Their well-being should have no reference to cheap partisan politics. There were days, in times past, when it was difficult to distinguish a Democrat from a Republican in this body when legislation relating to the well-being of agriculture was debated and voted upon. It was in those years, with bipartisan dedication and effort—and with the help of such great leaders as Edward A. O'Neal of Alabama and Earl Smith of Illinois, then the top officers of the American Farm Bureau Federation, along with the leaders of the Grange and the Farmers Union—that we developed the farm program which helped agriculture out of the great depression and under which for 11 consecutive years—1942 to 1952, inclusive—our farmers enjoyed their greatest prosperity in history. You will recall that farm prices in each of those 11 years were at or above 100 percent of parity. There were no wasteful surpluses. The production and price stabilization programs for the six basic crops—corn, wheat, cotton, rice, peanuts, and tobacco—operated for 20 years at an actual profit of $13 million to the Government. The Government had no loss but made a profit on these programs. During these years also our consumers bought food at fair and reasonable prices.

EZRA TAFT BENSON

But, Mr. Speaker, when Mr. Ezra Taft Benson became in 1953 the chief agricultural magistrate of the land, he forthwith set out upon a course to administer the farm program in a way to discredit it, and thereby to destroy it. He set out to destroy the program that had brought to agriculture its greatest era of prosperity in all history—the program for the basic crops that actually had returned a profit in dollars to the Government.

It was the consequences of the Benson regime that confronted us when the 87th Congress convened.

We moved first to deal with the most pressing problems. We promptly passed a feed grains bill, to stop the piling up of corn and other grains, and to stabilize the income of farmers. This bill embraced a voluntary program for 1961 in which the grain farmers were paid to reduce their acreages. Next we enacted similar programs for 1962 crops of feed grains and wheat. And, in the Agriculture Act of 1962, enacted in the closing days of this Congress, we continued these programs for 1963, in modified form, as we provided other programs of vast importance to agriculture and to the Nation, in the future.

Mr. Speaker, in a very few days we shall be back home, among the good people who sent us to Congress, and in our daily associations we shall be giving accounts of our stewardship. I am going to speak to my people back home with great pride in our accompilshments for agriculture.

THE NATURE OF THE OPPOSITION

Moreover, I intend to try to enlighten farmers generally on the nature of the opposition to their best interests, as it is reflected in the Congress.

Never have I seen agricultural policymaking faced with such powerful cant and deprecation and denunciation as was evident through the partisan action in Congress and among the lobby groups, these last 2 years.

Early this year, Secretary Freeman submitted general farm legislation to the Congress. This legislation would have offered farmers this crucial choice:

One. Controlling surplus production and thereby enjoying firm price supports and stable incomes; or

Two. The complete abandonment of farm price stabilization programs.

In short, the decision offered the producers of major crops was between self-imposed restraints on surplus production, or freedom to plunge headlong into bankruptcy.

This bill would have been the most effective means of cutting down farm surpluses, saving billions of dollars for taxpayers, strengthening the entire economy by improving the income of farmers, and it would have assured consumers plentiful food and fiber at fair prices.

I think that in assuring price stability for farmers the Government has the right to expect of farmers that they will cooperate in programs to hold their production within reasonable bounds. It makes no sense to me for the Government to provide price supports for the unlimited production of anything.

But a hue and cry went around the land.

Some people who pretend to be leaders in agriculture, and who approve of production adjustments in cotton, wheat, rice, peanuts, and tobacco, shouted that it would be nothing short of socialism if corn and other feed grains producers were given the opportunity to vote similar restraints upon themselves so that they could enjoy fair and stable prices. Cattlemen were told that Washington wanted to control the livestock industry. The South was told that there was a plot to cripple the livestock industry in this region. None of this, of course, made sense, but it did confuse a lot of farmers.

The Department of Agriculture did not propose, nor would I support, Government control programs for cattle and hogs. In fact the feed grains provisions of the general farm bill first proposed by the Department were designed to remove any need for such programs. This bill was the best means of avoiding price supports or Government restrictions on cattle and hogs.

PROGRAM FOR GRAINS BOON TO LIVESTOCKMEN

It is an accepted fact that cheap and surplus supplies of feed grains, in the absence of a feed grains program, will lead to excessive expansion of cattle and hog production. Independent studies by Iowa State University, Cornell University, and the Joint Economic Committee of Congress show that, without such a program, corn prices will fall to 65 to 98 cents a bushel in the commercial Corn Belt. The cattle prices would range for $12 to $17 per hundredweight, and hog prices from $11 to $14.

Missouri River Agricultural Levees, Iowa, Kansas, Missouri, and Nebraska (active units): The increase above the budget includes funds for initiating construction on units L–601, L–594, R–345–330 and L–351, and planning for unit L–15.

Flood Control, Mississippi River and Tributaries

Amendment No. 3: Appropriates $73,504,000 instead of $70,500,000 as proposed by the House and $75,954,000 as proposed by the Senate. Funds provided are to be distributed as follows:

Projects	Budget estimate for fiscal year 1963		Conference allowance	
	Construction	Planning	Construction	Planning
1. General investigations:				
(a) Examinations and surveys	$42,500		$62,500	
(b) Collection and study of basic data	82,500		82,500	
Subtotal, general investigations	125,000		145,000	
2. Construction and planning:				
Mississippi River levees	$2,200,000		$2,600,000	
Channel improvement	25,500,000		26,500,000	
Memphis Harbor	800,000		800,000	
Greenville Harbor	1,530,000		1,530,000	
Old River control	4,200,000		4,174,000	
St. Francis Basin	3,900,000		3,900,000	$60,000
Lower White River	850,000		850,000	
Cache Basin		$100,000		100,000
West Tennessee tributaries	600,000		600,000	
Wolf River and tributaries	100,000		100,000	
Lower Arkansas	500,000		550,000	
Tensas Basin:				
Boeuf and Tensas Rivers, etc	1,740,000		1,740,000	
Red River backwater	$35,000		$35,000	
Yazoo Basin:				
Sardis Reservoir	30,000		30,000	
Enid Reservoir	53,000		53,000	
Arkabutla Reservoir	30,000		30,000	
Grenada Reservoir	37,000		37,000	
Greenwood	700,000		700,000	
Main stem	2,050,000		2,050,000	
Tributaries	660,000		660,000	
Big Sunflower River, etc	1,200,000		1,200,000	
Yazoo backwater	900,000		900,000	
Atchafalaya Basin	4,900,000		4,900,000	
Lake Pontchartrain	760,000		760,000	
Subtotal, construction and planning	53,275,000	$100,000	54,699,000	$160,000
Reduction for anticipated savings and slippages	−1,500,000		−1,500,000	
Total, construction and planning	51,775,000	100,000	53,199,000	160,000
3. Maintenance	18,500,000		20,000,000	
Grand total	70,500,000		73,504,000	

Amendment No. 4: Reported in disagreement. The managers will move to recede and concur with language inserted in the bill by the Senate concerning the use of funds provided for the Cache River, Ark.

TITLE II—DEPARTMENT OF THE INTERIOR

Bureau of Reclamation

General Investigations

Amendments Nos. 5 and 6: Appropriate $8,400,000 instead of $7,100,000 as proposed by the House and $9,420,000 as proposed by the Senate, and provide that $7,010,000 of the amount shall be derived from the Reclamation Fund instead of $5,610,000 as proposed by the House and $8,030,000 as proposed by the Senate. The amount provided includes funds for: central Arizona, $500,000; Passamaquoddy, $200,000; Maxwell, Ariz., $60,000; Ouray unit, central Utah, $30,000; delivery of Colorado water to Mexico, $285,000; and up to $100,000 for weather modification research. No funds have been provided for the Pendleton, Oreg., project, and the Senate increase proposed for the Sonora-Keystone, Calif., project has been disallowed.

Construction and Rehabilitation

Amendment No. 7: Appropriates $158,218,000 instead of $153,077,000 as proposed by the House and $160,361,000 as proposed by the Senate. The funds provided under this heading are to be distributed as follows:

Project	Budget estimate	Conference allowance
Advance planning	$1,705,000	$1,630,000
Gila project, Arizona	3,000,000	3,000,000
Colorado River front work and levee system, Arizona-California	250,000	550,000
Central Valley project, California	47,401,000	47,401,000
Avondale, Dalton Gardens, and Hayden Lake pipe rehabilitation, Idaho	519,000	519,000
Wichita project, Cheney division, Kansas	7,100,000	7,100,000
Washoe project, Nevada-California	198,315	198,315
Rio Grande project, New Mexico		80,000
Norman project, Oklahoma	7,500,000	7,500,000
Rogue River Basin, Talent division, Oregon	439,000	439,000
The Dalles project, Western division, Oregon	1,025,000	1,025,000
Vale project, Bully Creek extension, Oregon	1,765,000	1,765,000
Klamath project, Oregon-California	515,000	515,000
Canadian River project, Texas	10,000,000	10,000,000
Lower Rio Grande rehabilitation project, La Feria division, Texas	1,500,000	1,500,000
Lower Rio Grande rehabilitation project, Mercedes division, Texas	1,940,000	1,940,000
San Angelo project, Texas	2,770,000	2,690,000
Weber Basin project, Utah	10,538,000	10,538,000
Chief Joseph Dam project, Greater Wenatchee division, Washington	2,136,000	2,136,000
Columbia Basin project, Washington	4,569,000	4,569,000
Drainage and minor construction	3,956,054	3,956,054
Rehabilitation and betterment of existing projects	5,346,000	5,346,000
Subtotal	114,172,369	112,797,369
Missouri River Basin project:		
Ainsworth unit, Nebraska	$5,800,000	$5,800,000
Almena unit, Kansas	4,826,000	4,826,000
Cedar Bluff unit, Kansas	906,000	906,000
East Bench unit, Montana	5,620,000	5,620,000
Farwell unit, Nebraska	6,800,000	6,800,000
Frenchman-Cambridge division, Nebraska	1,714,000	1,714,000
Glen Elder unit, Kansas	750,000	750,000
Oahe unit, James section, South Dakota	220,000	220,000
Transmission division	14,449,000	14,379,000
Yellowtail unit, Montana-Wyoming	12,150,000	12,150,000
Drainage and minor construction	1,795,631	1,820,631
Investigations	1,488,000	1,143,000
Advance planning	1,284,000	1,284,000
Subtotal, Missouri River Basin project	57,802,631	57,412,631
Other Department of the Interior agencies	3,240,000	3,008,000
Total, Missouri River Basin project	61,042,631	60,420,631
Subtotal, construction and rehabilitation	175,215,000	173,218,000
Undistributed reduction based on anticipated delays	−13,515,000	−15,000,000
Total, construction and rehabilitation	161,700,000	158,218,000

Advance planning: The increase above the House figure includes funds for: Fryingpan-Arkansas, $500,000; Arbuckle, Okla., $350,000; and Washoe, Nev., $50,000.

Missouri River Basin project, transmission division: The conferees on the part of both Houses are in agreement that the Bureau shall proceed immediately with the budget program for Federal construction of the Creston, Iowa—Fairport, Mo., transmission line.

Missouri River Basin project, investigations: The amount provided includes funds for: Turner and Clay Counties, S. Dak., $20,000; Cannonball division, Montana, $20,000; and Musselshell River, Mont., $25,000. The conferees are in agreement on the Senate reduction of $77,000 in the funds for the northeast Montana division.

Operation and Maintenance

Amendment No. 8: Appropriates $36,444,600 as proposed by the Senate instead of $38,150,000 as proposed by the House.

Loan Program

Amendment No. 9: Appropriates $12,517,000 as proposed by the Senate instead of $10,173,000 as proposed by the House.

Upper Colorado River Storage Project

Amendments Nos. 10, 11, and 12: Appropriate $107,808,000 instead of $106,508,000 as proposed by the House and $109,576,000 as proposed by the Senate, provide that $104,576,000 instead of $103,276,000 as proposed by the House and $105,576,000 as proposed by the Senate shall be available for the Upper Colorado River Basin fund, and provide that $3,232,000 as proposed by the House instead of $4,000,000 as proposed by the Senate shall be available for construction of recreational and fish and wildlife facilities.

The increase above the House figure includes $550,000 for San Juan-Chama and restoration of $750,000 of the House reduction for slippage. Of the funds available for the Seedskadee, Wyo., project, $95,000 shall be available for the Lincoln County, Wyo., road between U.S. Highway 189 and the Bureau of Reclamation community at Fontenelle.

Administrative Provisions

Amendment No. 13: Reported in disagreement.

TITLE III—INDEPENDENT OFFICES

Atomic Energy Commission

Operating Expenses

Amendment No. 14: Appropriates $2,872,224,000 instead of $2,860,974,000 as proposed by the House and $2,885,391,000 as proposed by the Senate.

The increase above the House figure includes the following: $3,000,000 for the cooperative power reactor demonstration program; $2,000,000 for the advanced space power system portion of the satellite and small power sources program; $5,000,000 for the physical research program; $500,000 for the food irradiation programs; and $750,000 for program direction and administration.

Plant Acquisition and Construction

Amendments Nos. 15 and 16: Appropriate $262,745,000 instead of $261,845,000 as proposed by the House and $267,895,000 as proposed by the Senate, and provide that $4,500,000 as proposed by the House instead of $9,000,000 as proposed by the Senate be used for improvement on U.S. Highway 95, Nevada.

The increase above the House figure includes $250,000 for the Argonne National Laboratory cafeteria, and $650,000 for food irradiators.

The conferees direct that $4,500,000 of funds available to the National Aeronautics and Space Administration be transferred to the Bureau of Public Roads for construction of U.S. Highway 95, Nevada.

St. Lawrence Seaway Development Corporation

Limitation on Administrative Expenses, St. Lawrence Seaway Development Corporation

Amendment No. 17: Limits administrative expenses to $414,000 as proposed by the Senate, instead of $425,000 as proposed by the House.

U.S. Study Commission—Southeast River Basins—Salaries and Expenses

Amendment No. 18: Reported in disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment, making funds under this heading available until December 31, 1963, instead of December 31, 1962.

TITLE IV—FUNDS APPROPRIATED TO THE PRESIDENT

Public works acceleration

Amendment No. 19: Inserts heading and language as proposed by the Senate and appropriates $400,000,000 instead of $500,000,000 as proposed by the Senate.

The managers on the part of the House endorse the Senate report statements on the accelerated public works program.

In addition the conferees on the part of both Houses direct that emphasis be placed on community facilities projects requiring local matching funds such as water and sewer systems, public buildings and hospitals, streets and sidewalks.

The conferees on the part of both Houses direct also that no funds are to be made available for all-Federal research laboratories of the type normally requiring separate item review and approval of the Congress in the regular appropriation processes, or for all-Federal projects of any other type costing more than $400,000.

These conditions are being applied pending a budgetary presentation identifying specific projects for the remainder of the program.

TITLE V—GENERAL PROVISIONS

Amendment No. 20: Changes title number.

Amendments Nos. 21 through 27: Change section numbers.

CLARENCE CANNON,
MICHAEL J. KIRWAN,
JOHN E. FOGARTY,
BEN F. JENSEN (I reserve on title IV),
JOHN TABER (I reserve on title IV and the $400,000,000 appropriation),
Managers on the Part of the House.

POSTAL SERVICE AND FEDERAL EMPLOYEES SALARY ACT OF 1962

Mr. MURRAY submitted the following conference report and statement on the bill (H.R. 7927) to adjust postal rates, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 2532)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7927) to adjust postal rates, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That this Act may be cited as the 'Postal Service and Federal Employees Salary Act of 1962'.

"PART I—POSTAL SERVICE

"Title I—Postal rates

"First-Class Mail

"SEC. 101. Section 4253(a) of title 39 United States Code, is amended by striking out the words 'four' and 'three' wherever appearing in subsection (a) and inserting in lieu thereof the words 'five' and 'four', respectively.

"Airmail

"SEC. 102. (a) Section 4303 of title 39, United States Code, is amended—

"(1) by striking out the word 'seven' in subsection (a) and inserting in lieu thereof the word 'eight';

"(2) by striking out the word 'five' in subsection (b) and inserting in lieu thereof the word 'six';

"(3) by increasing each of the rates under the heading 'First pound over 8 ounces or fraction thereof' in the table in subsection (d)(1) by 8 cents;

"(4) by striking out paragraph (2) of subsection (d) and inserting in lieu thereof the following:

"'(2) The rate of postage on air mail of the first class weighing in excess of eight ounces shall be the rate provided by subsection (a) for each ounce not in excess of eight ounces, plus 5 cents for each ounce or fraction thereof in excess of eight ounces, but in no case less than the rate provided under paragraph (1) for air parcels.'

"Second Class Within County of Publication

"SEC. 103. Subsections (a) and (b) of section 4358 of title 39, United States Code, are amended to read as follows:

"'(a) Except as provided in subsection (b), the rate of postage on publications admitted as second-class mail when addressed for delivery within the county in which they are published and entered is as follows:

"'[In cents]

	"'Mailed after January 6, 1963, and prior to January 1, 1965	Mailed after December 31, 1964
"'Rate per pound	1	1¼
Minimum charge per piece	⅛	⅛

"'(b) The rate of postage on the following publications admitted as second-class mail when mailed for delivery, within the county in which they are published and entered, by the letter carrier at the office of mailing, shall be—

"'(1) publications issued more frequently than weekly, one cent a copy;

"'(2) publications issued less frequently than weekly—

"'(A) weighing two ounces or less, one cent a copy;

"'(B) weighing more than two ounces, two cents a copy.'

"Second Class Beyond County of Publication

"SEC. 104. (a) Section 4359(b) of title 39, United States Code, is amended to read as follows:

"'(b)(1) Except as provided by paragraphs (2), (3), and (4), the rates of postage on publications mailed in accordance with subsection (a) are as follows:

"'[In cents]

	"'Mailed after January 6, 1963, and prior to January 1, 1964	Mailed during calendar year 1964	Mailed after December 31, 1964
"'Rate per pound:			
Advertising portion:			
Zones 1 and 2	3.4	3.8	4.2
Zone 3	4.4	4.8	5.2
Zone 4	6.4	6.8	7.2
Zone 5	8.4	8.8	9.2
Zone 6	10.4	10.8	11.2
Zone 7	12.0	12.0	12.0
Zone 8	14.0	14.0	14.0
Nonadvertising portion	2.6	2.7	2.8
Minimum charge per piece	.6	.8	1.0

"'(2) The postage on classroom publications is 60 per centum of the postage computed in accordance with paragraph (1).

"'(3) The rates of postage on publications of a qualified nonprofit organization mailed in accordance with subsection (a) are as follows:

"'[In cents]

	"'Mailed after January 6, 1963, and prior to January 1, 1964	Mailed during calendar year 1964	Mailed after December 31, 1964
"'Rate per pound	1.6	1.7	1.8
Minimum charge per piece	.125	.125	.125

"'(4) In lieu of the minimum charge per piece prescribed by paragraph (1), the minimum charge per piece to be paid by the following publications (other than publications to which paragraph (2) or paragraph (3) is applicable) shall be as follows—

"'(A) publications mailing fewer than 5,000 copies per issue outside the county of publication—one-half cent per piece;

"'(B) any issue of a publication the advertising portion of which does not exceed 5 per centum of the entire issue—.55 of a cent per piece when mailed after January 6, 1963, and prior to January 1, 1964, .65 of a cent per piece when mailed during the calendar year 1964, and .75 of a cent per piece when mailed after December 31, 1964.'

"(b) Section 4359(e)(2) of title 39, United States Code, is amended by striking out 'and fraternal,' and inserting in lieu thereof the following: 'fraternal, and associations of rural electric cooperatives, and not to exceed one publication published by the official highway agency of a State which meets all of the requirements of section 4354 and which contains no advertising'.

"(c) Section 4360 of title 39, United States Code, is repealed.

"Second-Class Transient Mail

"SEC. 105. Section 4362 of title 39, United States Code, is amended by striking out 'two cents' and inserting in lieu thereof 'four cents'.

"Controlled Circulation Publications

"SEC. 106. Section 4422 of title 39, United States Code, is amended by striking out '12 cents a pound or fraction thereof' and inserting in lieu thereof the following: '12½ cents a pound or fraction thereof when mailed after January 6, 1963, and prior to January 1, 1964, 13 cents a pound or fraction thereof when mailed during calendar year 1964, and 13½ cents a pound or fraction thereof when mailed after December 31, 1964'.

"Third-Class Mail

"SEC. 107. Section 4452 of title 39, United States Code, is amended—

"(1) by amending subsections (a), (b), and (c) to read as follows:

"'(a) Except as provided in subsection (c) of this section, and subject to the minimum charge per piece provided in subsection (b) of this section, the postage rates on third-class mail are as follows:

"'Type of mailing	Rate	Unit
	Cents	
(1) Individual piece	4	First 2 ounces or fraction thereof.
	2	Each additional ounce or fraction thereof.
(2) Bulk mailings under subsec. (e) of this section of:		
(A) Books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions and plants.	12	Each pound or fraction thereof.
(B) Other matter	18	Do.

"'(b) Matter mailed in bulk under subsection (e) of this section is subject to a minimum charge for each piece of 2⅝ cents when mailed subsequent to January 6, 1963, and prior to January 1, 1964, 2⅝ cents when mailed during calendar year 1964, and 2⅞ cents when mailed after December 31, 1964, except that the minimum charge per piece on such matter mailed by qualified nonprofit organizations is 1¼ cents.

"'(c) The pound rates on matter mailed in bulk under subsection (e) by qualified nonprofit organizations are 50 per centum of the pound rates provided by subsection (a).'

"(2) by striking out 'subsections (a) and (b) of' wherever it appears in subsection (d).

"(3) by striking out '$20' and 'twenty pounds' in subsection (e) and inserting in lieu thereof '$30' and 'fifty pounds', respectively, effective January 1, 1963.

"Fourth-Class Mail

"SEC. 108. Section 4552(b)(5) of title 39, United States Code, relating to size and weight limitations on fourth-class matter mailed to or from certain areas, is amended by striking out the words 'Territory of Hawaii' and inserting in lieu thereof the words 'States of Alaska and Hawaii,'.

"SEC. 109. Section 4554 of title 39, United States Code (relating to books, films, and similar educational materials), is amended by striking out that part of subsection (a) which precedes paragraph (1) and inserting in lieu thereof the following:

"'(a) Except as provided in subsection (b) of this section, the postage rate is 9½ cents a pound for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof when mailed after January 6, 1963 and prior to January 1, 1964, and 10 cents for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof when mailed after December 31, 1963, except that the rate now or hereafter prescribed for third- or fourth-class matter shall apply in every case where such rate is lower than the rate prescribed in this subsection on—".

"Fees for Second-Class Entry and Registration

"SEC. 110. Section 4357 of title 39, United States Code, is amended—

"(1) by striking out '$25' in subsection (a)(1) and inserting in lieu thereof '$30';

"(2) by striking out '$50' in subsection (a)(2) and inserting in lieu thereof '$60';

"(3) by striking out '$100' in subsection (a)(3) and inserting in lieu thereof '$120';

"(4) by striking out '$10' in the first sentence of subsection (b) and inserting in lieu thereof '$15';

"(5) by striking out the second sentence of subsection (b) and inserting in lieu thereof the following: 'The fee for each additional entry is $15, except that if the additional entry is made within zones 3 to 8, inclusive (determined from the office of publication and entry), of the zones established for purposes of fourth-class mail, such fee shall be $50.';

"(6) by striking out '$20' in subsection (c) and inserting in lieu thereof '$25'; and

"(7) by striking out the last sentence in subsection (d).

"Permit Fees for Mailing Without Stamps

"SEC. 111. Section 4052(b) of title 39, United States Code, is amended by striking out '$10' and inserting in lieu thereof '$15'.

"Fixing of Fees by Postmaster General

"SEC. 112. Section 507 of title 39, United States Code, is amended by adding at the end thereof the following:

"'(12) the issuance of a permit for prepayment of postage without stamps.

"'(13) the entry, re-entry, or additional entry of a periodical publication as second-class mail.

"'(14) the registry of a news agent.

Fees prescribed by the Postmaster General under paragraphs (12) to (14), inclusive, shall be collected in lieu of the corresponding fees established under section 4052(b) or 4357.'

"Keys and Other Small Articles

"SEC. 113. Section 4651(b) of title 39, United States Code, is amended by striking out '5 cents' and inserting in lieu thereof '6 cents'.

"Method of Determining Gross Receipts

"SEC. 114. Section 711(c) of title 39, United States Code, is amended by striking out 'Public Law 85–426' and inserting in lieu thereof 'any Act of Congress enacted on or after May 27, 1958'.

"Standards for Determination of Qualifications of Applicants for Positions of Postmaster

"SEC. 115. In evaluating the qualifications of applicants for positions of postmaster, the United States Civil Service Commission shall give, with respect to each applicant, all due and appropriate consideration to experience in the postal field service, including seniority, length of service, level of difficulty and responsibility of work, attendance, awards and commendations, and performance rating.

"Title II—Postal policy

"SEC. 201. (a) Section 2302(c)(4) of title 39, United States Code, is amended by striking out 'deemed to be attributable to the performance of public services under section 2303(b) of this title' and inserting in lieu thereof 'determined under section 2303 of this title to be attributable to the performance of public services'.

"(b) Section 2303(a) of title 39, United State Code, is amended—

"(1) by amending the headings so as to read

"'§ 2303. Identification of public services and costs thereof';

"(2) by striking out paragraph 1(A) and inserting in lieu thereof the following:

"'(A) reduced rates for certain publications as provided by section 4359 of this title;';

"(3) by striking out paragraph 1(C) and inserting in lieu thereof the following:

"'(C) second class mailing at postage rates as provided by section 4358 of this title;'; and

"(4) by striking out paragraph (2) and inserting in lieu thereof the following:

"'(2) 10 per centum of the gross cost of the operation of third-class post offices and the star route system, and 20 per centum of the gross cost of the operation of fourth-class post offices and rural routes.'

"(5) by adding at the end thereof the following new sentence: 'The terms "total loss" and "loss" as used in this section mean the amounts by which the total allocated costs incurred by the postal establishment in the performance of the public services enumerated in this subsection exceed the total revenues received by the postal establishment for the performance of such public services.'

"(c) Section 2303(b) of title 39, United States Code, is amended to read as follows:

"'(b) The Postmaster General shall report to the Congress, on or before February 1 of each year beginning with the year 1963, the estimated amount of the losses or costs (or percentage of costs) specified in subsection (a) incurred by the postal establishment in the then current fiscal year in the performance of the public services enumerated in such subsection. The aggregate amount of the losses or costs (or percentage of costs) specified in subsection (a), incurred by the postal establishment in any fiscal year in the performance of such public services, shall be excluded from the total cost of operating the postal establishment for purposes of adjustment of postal rates and fees, including any adjustment pursuant to the provisions of section 207(b) of the Act of February 28, 1925, relating to reformation of classification (39 U.S.C., 1958 ed. 247).'

"(d) The table of contents of chapter 27 of title 39, United States Code, is amended by striking out

"'2303. Identification of and appropriations for public services.'

and inserting in lieu thereof:

"'2303. Identification of public services and costs thereof.'.

"Title III—Miscellaneous

"Eligibility of certain organizations for second-class entry

"SEC. 301. Section 4355(a) of title 39, United States Code is amended—

"(1) by inserting after the words 'State board of health' in subparagraph (3) a comma and the words 'or a State industrial development agency',

"(2) by striking out the period at the end of subparagraph (9) and inserting in lieu of such period a semicolon and the word 'or'; and

"(3) by adding at the end thereof the following new subparagraph (10):

"'(10) published by any public or nonprofit private elementary or secondary institution of learning or its administrative or governing body.'.

"Educational materials

"SEC. 302. Section 4554 of title 39, United States Code, is amended—

"(1) by striking out paragraph (5) of subsection (a) and inserting in lieu thereof the following:

"'(5) sound recordings, including incidental announcements of recordings and guides or scripts prepared solely for use with such recordings;';

"(2) by striking out the period at the end of paragraph (6) of subsection (a) and inserting in lieu thereof a semicolon;

"(3) by adding at the end of subsection (a) the following:

"'(7) printed educational reference charts, permanently processed for preservation; and

"'(8) looseleaf pages, and binders therefor, consisting of medical information for distribution to doctors, hospitals, medical schools, and medical students.'

"(4) by striking out the word 'students' ' immediately preceding the word 'notations' in paragraph (1) of subsection (a) and in paragraph (2) of subsection (b);

"(5) by inserting after the words 'loaned or exchanged' in paragraph (1) of subsection (b) the following: '(including cooperative processing by libraries)';

"(6) by striking out:

"'(D) bound volumes of periodicals;

"'(E) phonograph recordings; and'

in paragraph (2) of subsection (b) and inserting in lieu thereof:

"'(D) periodicals, whether bound or unbound;

"'(E) sound recordings; and'; and

"(7) by striking out 'and catalog of those items' in subsection (c) and inserting in lieu thereof 'scientific or mathematical kits, instruments, or other devices and catalogs of those items, and guides or scripts prepared solely for use with such materials'.

"Reading and Other Materials for Blind Persons

"SEC. 303. Sections 4653 and 4654 of title 39, United States Code, are amended to read as follows:

"'§ 4653. Publications for blind persons

"'(a) The following matter may be mailed free of postage—

"'(1) books, pamphlets, and other reading matter, including pages thereof:

"'(A) published (whether prepared by hand, or printed) either in raised characters or in sightsaving-size type, or in the form of sound recordings, for use of blind persons;

"'(B) in packages not exceeding the weight prescribed by the Postmaster General;

"'(C) containing no advertising or other matter whatsoever;

"'(D) unsealed;

"'(E) sent—

"'(i) by an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, as a loan to blind readers, or when returned by the blind reader to the lender; or

"'(ii) to a blind person without cost to the blind person; or

"'(iii) to an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, to be furnished to a blind person without cost to such blind person.

"'(2) magazines, periodicals, and other regularly issued publications:

"'(A) published (whether prepared by hand, or printed) either in raised characters or in sightsaving-size type, or in the form of sound recordings, for use of blind persons;

"'(B) containing no advertising;

"'(C) for which no subscription fee is charged.

"'(b) There may be mailed at the rate of postage of 1 cent for each pound or fraction thereof—

"'(1) books, pamphlets, and other reading matter including pages thereof:

"'(A) published (whether prepared by hand, or printed) either in raised characters or in sightsaving-size type, or in the form of sound recordings, for use of blind persons;

"'(B) in packages not exceeding the weight prescribed by the Postmaster General;

"'(C) containing no advertising or other matter whosoever;

"'(D) unsealed;

"'(E) sent—

"'(i) by an institution, agency, publisher, organization, or association (including a library or school and including organizations or assocations of or for blind people), not conducted for private profit, on a rental basis to blind readers, or when returned by the blind reader to such organizations, at a price not greater than the cost price thereof; or

"'(ii) to a blind person at a price not greater than the cost price thereof; or

"'(iii) to an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, to be furnished to a blind person at a price not greater than the cost price thereof.

"'(2) magazines, periodicals, and other regularly issued publications:

"'(A) published (whether prepared by hand, or printed) either in raised characters or in sightsaving-size type, or in the form of sound recordings, for use of blind persons;

"'(B) containing no advertising;

"'(C) when furnished by an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, to a blind person, at a price not greater than the cost price thereof.

"'§ 4654. Reproducers, sound recordings, and other materials and appliances for the preparation of reading matter for blind persons

"'(a) Reproducers, or parts thereof, for sound recordings for blind persons which are the property of the United States Government may be mailed free of postage when sent for repair, or returned after repair—

"'(1) by an organization, institution, public library, or association for blind persons, not conducted for private profit;

"'(2) by a blind person to such an agency not conducted for private profit;

"'(3) from such an agency to an organization, institution, public library, or association for blind persons not conducted for private profit; or

"'(4) to a blind person.

"'(b) The Postmaster General may extend the free mailing privilege provided by subsection (a) of this section to reproducers or parts thereof for sound recordings for blind persons, braille writers and other appliances for blind persons or parts thereof, that are the property of—

"'(1) State governments or subdivisions thereof;

"'(2) public libraries;

"'(3) private agencies for the blind not conducted for private profit; or

"'(4) blind individuals.

"'(c) The Postmaster General may also permit the mailing free of postage of paper, records, tapes, and other materials for use by the recipients for the production (whether by hand or printed) of reading matter either in raised characters or sightsaving-size type, or in the form of sound recordings, for use of blind persons, where such materials are the property of—

"'(1) State governments or subdivisions thereof;

"'(2) public libraries;

"'(3) private agencies for the blind not conducted for private profit; or

"'(4) blind individuals.'

"Repeals and Technical Amendments

"SEC. 304. (a) The following provisions of law are repealed:

"(1) The third proviso in section 3 of the Act of October 30, 1951, as amended by the Act of June 23, 1959 (73 Stat. 89; Public Law 86–56);

"(2) Sections 204(d), 204(e)(1), and 204(e)(2) of the Postal Rate Revision and Federal Employees Salary Act of 1948, as amended by the Act of July 14, 1960 (74 Stat. 479; Public Law 86–644);

"(3) Sections 4361 and 4652 of title 39, United States Code.

"(b) Section 4359(a) of title 39, United States Code, is amended by striking out '4358, 4361, and 4362' and inserting in lieu thereof '4358 and 4362'.

"(c) Section 4451(d) of title 39, United States Code, is amended by striking out '(a)(2)' and inserting in lieu thereof '(a)(3)'.

"Communist Political Propaganda

"SEC. 305. (a) Chapter 51 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"'§ 4008. Communist political propaganda

"'(a) Mail matter, except sealed letters, which originates or which is printed or otherwise prepared in a foreign country and which is determined by the Secretary of the Treasury pursuant to rules and regulations to be promulgated by him to be "communist political propaganda", shall be detained by the Postmaster General upon its arrival for delivery in the United States, or upon its subsequent deposit in the United States domestic mails, and the addressee shall be notified that such matter has been received and will be delivered only upon the addressee's request, except that such detention shall not be required in the case of any matter which is furnished pursuant to subscription or which is otherwise ascertained by the Postmaster General to be desired by the addressee. If no request for delivery is made by the addressee within a reasonable time, which shall not exceed sixty days, the matter detained shall be disposed of as the Postmaster General directs.

"'(b) For the purposes of this section, the term "communist political propaganda" means political propaganda, as defined in section 1(j) of the Foreign Agents Registration Act of 1938, as amended (22 U.S.C. 611(j)), issued by or on behalf of any country with respect to which there is in effect a suspension or withdrawal of tariff concessions pursuant to section 5 of the Trade Agreements Extension Act of 1951 or section

231 of the Trade Expansion Act of 1962, or any country from which any type of foreign assistance is withheld pursuant to section 620(f) of the Foreign Assistance Act of 1961, as amended.

"'(c) The provisions of this section shall not be applicable with respect to (1) matter addressed to any United States Government agency, or any public library, or to any college, university, graduate school, or scientific or professional institution for advanced studies, or any official thereof, or (2) material whether or not "communist political propaganda" addressed for delivery in the United States pursuant to a reciprocal cultural international agreement under which the United States Government mails an equal amount of material for delivery in any country described in subsection (b).'

"(b) The table of contents of chapter 51 of title 39, United States Code, is amended by adding at the end thereof the following:

"'4008. Communist political propaganda.'

"EFFECTIVE DATE

"SEC. 306. Except as otherwise provided, the foregoing provisions of this part shall become effective on January 7, 1963.

"Notice With Respect To Obscene Matter Distributed by Mail and Detention Thereof

"SEC. 307. In order to alert the recipients of mail and the general public to the fact that large quantities of obscene, lewd, lascivious, and indecent matter are being introduced into this country from abroad and disseminated in the United States by means of the United States mails, the Postmaster General shall publicize such fact (1) by appropriate notices posted in post offices, and (2) by notifying recipients of mail, whenever he deems it appropriate in order to carry out the purposes of this section, that the United States mails may contain such obscene, lewd, lascivious, or indecent matter. Any person may file a written request with his local post office to detain obscene, lewd, lascivious, or indecent matter addressed to him, and the Postmaster General shall detain and dispose of such matter for such period as the request is in effect. The Postmaster General shall permit the return of mail containing obscene, lewd, lascivious, or indecent matter, to local post offices, without cost to the recipient thereof. Nothing in this section shall be deemed to authorize the Postmaster General to open, inspect, or censor any mail except on specific request by the addressee thereof. The Postmaster General is authorized to prescribe such regulations as he may deem appropriate to carry out the purposes of this section.

"PART II—FEDERAL SALARY REFORM

"Title I—General policy

"Short Title

"SEC. 501. This part may be cited as the 'Federal Salary Reform Act of 1962'.

"Declaration of Policy

"SEC. 502. The Congress hereby declares that, whereas the functions of a Federal salary system are to fix salary rates for the services rendered by Federal employees so as to make possible the employment of persons well qualified to conduct the Government's programs and to control expenditures of public funds for personal services with equity to the employee and to the taxpayer, and whereas fulfillment of these functions is essential to the development and maintenance of maximum proficiency in the civilian services of Government, then, accordingly, Federal salary fixing shall be based upon the principles that—

"(a) There shall be equal pay for substantially equal work, and pay distinctions shall be maintained in keeping with work and performance distinctions; and

"(b) Federal salary rates shall be comparable with private enterprise salary rates for the same levels of work.

Salary levels for the several Federal statutory salary systems shall be interrelated, and salary levels shall be set and henceforth adjusted in accordance with the above principles.

"Implementation of Policy

"SEC. 503. In order to give effect to the policy stated in section 502, the President: (1) shall direct such agency or agencies, as he deems appropriate, to prepare and submit to him annually a report which compares the rates of salary fixed by statute for Federal employees with the rates of salary paid for the same levels of work in private enterprise as determined on the basis of appropriate annual surveys conducted by the Bureau of Labor Statistics, and, after seeking the views of such employee organizations as he deems appropriate and in such manner as he may provide, (2) shall report annually to the Congress (a) this comparison of Federal and private enterprise salary rates and (b) such recommendations for revision of statutory salary schedules, salary structures, and compensation policy, as he deems advisable.

"SEC. 504. (a) Whenever the President shall find that the salary rates in private enterprise for one or more occupations in one or more areas or locations are so substantially above the salary rates of statutory pay schedules as to handicap significantly the Government's recruitment or retention of well-qualified persons in positions compensated under (1) section 603(b) of the Classification Act of 1949, as amended (5 U.S.C. 1113(b), (2) the provisions of part III of title 39, United States Code, relating to personnel in the postal field service, (3) the pay scales for physicians, dentists, and nurses in the Department of Medicine and Surgery of the Veterans' Administration under chapter 73 of title 38, United States Code, or (4) sections 412 and 415 of the Foreign Service Act of 1946, as amended (22 U.S.C. 867 and 870), he may establish for such areas or locations higher minimum rates of basic compensation for one or more grades or levels, occupational groups, series, classes, or subdivisions thereof, and may make corresponding increases in all step rates of the salary range for each such grade or level: *Provided*, That in no case shall any minimum salary rate so established exceed the seventh salary rate prescribed by law for the grade or level. The President may authorize the exercise of the authority conferred upon him by this section by the Civil Service Commission or, in the case of employees not subject to the civil service laws and regulations, by such other agency or agencies as he may designate.

"(b) Within the limitations specified in subsection (a), rates of basic compensation established under such subsection may be revised from time to time by the President or by such agency or agencies as he may designate. Such actions or revisions shall have the force and effect of law.

"(c) Any increase in rate of basic compensation established under this section shall not be regarded as an 'equivalent increase' in compensation within the meaning of section 701(a) of the Classification Act of 1949, as amended, and section 3552 of title 39 of the United States Code.

"SEC. 505. The functions, duties, and regulations of the departments and the Civil Service Commission with respect to this title, the Classification Act of 1949, as amended, the provisions of part III of title 39, United States Code, relating to personnel in the postal field service, the Foreign Service Act of 1946, as amended, and the provisions of chapter 73 of title 38 of the United States Code relating to personnel of the Department of Medicine and Surgery in the Veterans' Administration, shall be subject to such policies and rules as the President may issue. Among other things, the President's policies and rules may provide for—

"(1) preparing and reporting to him the annual comparison of Federal salary rates with private enterprise rates,

"(2) obtaining and reporting to him the views of employee organizations on such annual comparison, and on other salary matters,

"(3) reviewing and reporting to him on the adequacy of the Federal statutory salary structures for the Federal programs to which they apply,

"(4) reviewing the relationship of Federal statutory salary rates and private enterprise salary rates in specific occupation and local areas, and

"(5) providing step-increases in recognition of high quality performance and providing for properly relating supervisory salary rates paid under one system to those of subordinates paid under another system.

"Title II—Pay System of the Classification Act of 1949

Short Title

"SEC. 601. This title may be cited as the 'Classification Act Amendments of 1962'.

"Basic Compensation Schedules

"SEC. 602. (a) Section 603(b) of the Classification Act of 1949, as amended (74 Stat. 298; 5 U.S.C. 1113(b)), is amended to read as follows:

"'(b) The compensation schedules for the General Schedule shall be as follows:

"'COMPENSATION SCHEDULE I

"'(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act, and ending immediately prior to the applicable initial effective date of Compensation Schedule II set forth below)

"'Grade	Per annum rates and steps									
	1	2	3	4	5	6	7	8	9	10
GS-1	$3,245	$3,350	$3,455	$3,560	$3,665	$3,770	$3,875	$3,980	$4,085	$4,190
GS-2	3,560	3,665	3,770	3,875	3,980	4,085	4,190	4,295	4,400	4,505
GS-3	3,820	3,925	4,030	4,135	4,240	4,345	4,455	4,580	4,705	4,830
GS-4	4,110	4,250	4,390	4,530	4,670	4,810	4,950	5,090	5,230	5,370
GS-5	4,565	4,725	4,885	5,045	5,205	5,365	5,525	5,685	5,845	6,005
GS-6	5,035	5,205	5,375	5,545	5,715	5,885	6,055	6,225	6,395	6,565
GS-7	5,540	5,725	5,910	6,095	6,280	6,465	6,650	6,835	7,020	7,205
GS-8	6,090	6,295	6,500	6,705	6,910	7,115	7,320	7,525	7,730	7,935
GS-9	6,675	6,900	7,125	7,350	7,575	7,800	8,025	8,250	8,475	8,700
GS-10	7,290	7,535	7,780	8,025	8,270	8,515	8,760	9,005	9,250	9,495
GS-11	8,045	8,310	8,575	8,840	9,105	9,370	9,635	9,900	10,165	----
GS-12	9,475	9,790	10,105	10,420	10,735	11,050	11,365	11,680	11,995	----
GS-13	11,150	11,515	11,880	12,245	12,610	12,975	13,340	13,705	14,070	----
GS-14	12,845	13,270	13,695	14,120	14,545	14,970	15,395	15,820	16,245	----
GS-15	14,565	15,045	15,525	16,005	16,485	16,965	17,445	17,925	----	----
GS-16	16,000	16,500	17,000	17,500	18,000	----	----	----	----	----
GS-17	18,000	18,500	19,000	19,500	20,000	----	----	----	----	----
GS-18	20,000	----	----	----	----	----	----	----	----	----

"'COMPENSATION SCHEDULE II

" '(To be effective on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

" 'Grade	Per annum rates and steps									
	1	2	3	4	5	6	7	8	9	10
GS-1	$3,305	$3,410	$3,515	$3,620	$3,725	$3,830	$3,935	$4,040	$4,145	$4,250
GS-2	3,620	3,725	3,830	3,935	4,040	4,145	4,250	4,355	4,460	4,565
GS-3	3,880	3,985	4,090	4,195	4,300	4,405	4,525	4,650	4,775	4,900
GS-4	4,215	4,355	4,495	4,635	4,775	4,915	5,055	5,195	5,335	5,475
GS-5	4,690	4,850	5,010	5,170	5,330	5,490	5,650	5,810	5,970	6,130
GS-6	5,235	5,410	5,585	5,760	5,935	6,110	6,285	6,460	6,635	6,810
GS-7	5,795	5,990	6,185	6,380	6,575	6,770	6,965	7,160	7,355	7,550
GS-8	6,390	6,600	6,810	7,020	7,230	7,440	7,650	7,860	8,070	8,280
GS-9	7,030	7,260	7,490	7,720	7,950	8,180	8,410	8,640	8,870	9,100
GS-10	7,690	7,945	8,200	8,455	8,710	8,965	9,220	9,475	9,730	9,985
GS-11	8,410	8,690	8,970	9,250	9,530	9,810	10,090	10,370	10,650	----
GS-12	9,980	10,310	10,640	10,970	11,300	11,630	11,960	12,290	12,620	----
GS-13	11,725	12,110	12,495	12,880	13,265	13,650	14,035	14,420	14,805	----
GS-14	13,615	14,065	14,515	14,965	15,415	15,865	16,315	16,765	17,215	----
GS-15	15,665	16,180	16,695	17,210	17,725	18,240	18,755	19,270	----	----
GS-16	16,000	16,500	17,000	17,500	18,000	----	----	----	----	----
GS-17	18,000	18,500	19,000	19,500	20,000	----	----	----	----	----
GS-18	20,000	----	----	----	----	----	----	----	----	----

"(b) The rates of basic compensation of officers and employees to whom Compensation Schedule I of the General Schedule set forth in subsection (a) of this section applies shall, subject to the provisions of paragraph (10) of this subsection, be initially adjusted, effective on the first day of the first pay period beginning on or after the date of enactment of this Act, as follows:

"(1) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the first, second, third, fourth, fifth, sixth, or seventh scheduled rate, or at the first or second longevity rate of a grade below grade 4 of the General Schedule of the Classification Act of 1949, as amended, he shall be advanced as follows: Employees in step 1 to step 2 of the new schedule; step 2 to step 3; step 3 to step 4; step 4 to step 5; step 5 to step 6; step 6 to step 7; step 7 to step 8; the first longevity step to step 9; and the second longevity step to step 10.

"(2) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the third longevity rate of a grade below grade 4 of the General Schedule of the Classification Act of 1949, as amended, he shall receive basic compensation at the highest rate of the appropriate grade plus an amount equal to the value of the maximum within grade increment provided for that grade in effect on and after such day.

"(3) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the first, second, third, fourth, fifth, sixth, or seventh scheduled rate, or at the first, second, or third longevity rate, of grade 4, 5, 6, 7, 8, 9, or 10 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, fifth, sixth, seventh, eighth, ninth, or tenth rate of the appropriate grade in effect on and after such day.

"(4) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the first, second, third, fourth, fifth, or sixth scheduled rate, or at the first, second, or third longevity rate of grade 11, 12, 13, or 14 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, fifth, sixth, seventh, eighth, or ninth rate of the appropriate grade in effect on and after such day.

"(5) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the first, second, third, fourth, or fifth scheduled rate, or at the first, second, or third longevity rate of grade 15 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, fifth, sixth, seventh, or eighth rate of such grade in effect on and after such day.

"(6) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period, which begins on or after the date of enactment of this Act at the first, second, third, fourth, or fifth rate of grade 16 or grade 17 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, or fifth rate of the appropriate grade in effect on and after such day.

"(7) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding rate of such grade in effect on and after such day.

"(8) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at a rate between two scheduled or two longevity rates, or between a scheduled and a longevity rate, of a grade of the General Schedule, he shall receive a rate of basic compensation at the higher of the two corresponding rates, as specified in paragraphs (1) through (6) of this subsection, in effect on and after such day.

"(9) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at a rate in excess of the maximum longevity rate for his grade, or in excess of the maximum scheduled rate for his grade if there is no longevity rate for his grade, he shall receive (A) the rate of the new schedule, in effect on and after such day, prescribed by paragraphs (1) through (6) of this subsection for employees at the maximum longevity rate or at the maximum scheduled rate, as the case may be, for his grade, or (B) if such rate is less than his existing rate, (i) the lowest rate of the new schedule or his grade which equals or exceeds his existing rate or (ii) if there is no such rate, his existing rate.

"(10) Service of officers and employees performed immediately preceding the first day of the first pay period which begins on or after the date of enactment of this Act, in the grade of the General Schedule in which their respective positions were placed on such day, shall be counted toward not to exceed one step increase under the time in grade provisions of subsection (a) of section 701 of the Classification Act of 1949 as amended by this Act.

"(11) If the officer or employee, immediately prior to the first day of the first pay period which began on or after the date of enactment of this Act, is receiving, pursuant to paragraph (4) of section 2(b) of the Federal Employees Salary Increase Act of 1955, an existing aggregate rate of compensation determined under section 208(b) of the Act of September 1, 1954 (68 Stat. 1111; Public Law 763, Eighty-third Congress), plus the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, by section 2 of the Federal Employees Salary Increase Act of 1958, and by section 112 of the Federal Employees Salary Increase Act of 1960, he shall reecive an aggregate rate of compensation equal to the sum of (A) his existing aggregate rate of compensation determined under such section 208(b) of the Act of September 1, 1954, (B) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, (C) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1958, (D) the amount of the increase provided by section 112 of the Federal Employees Salary Increase Act of 1960, and (E) the amount of the increase made by this section in the maximum rate of his grade, until (i) he leaves his position, or (ii) he is entitled to receive aggregate compensation at a higher rate by reason of the operation of this Act or any other provision of law; but, when such position becomes vacant, the aggregate rate of compensation of any subsequent appointee thereto shall be fixed in accordance with applicable provisions of law. Subject to clauses (i) and (ii) of the immediately preceding sentence of this paragraph, the amount of the increase provided by this section shall be held and considered for the purpose of section 208(b) of such Act of September 1, 1954, to constitute a part of the existing rate of compensation of such employee.

"(c) The rates of basic compensation of officers and employees to whom Compensation Schedule II of the General Schedule set forth in subsection (a) of this section applies shall be initially adjusted, effective as of the first day of the first pay period beginning on or after January 1, 1964, as follows:

"(1) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after January 1, 1964, at one of the rates of a grade in the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding rate in effect on and after such date.

"(2) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after January 1, 1964, at a rate between two rates of a grade in the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the higher of the two corresponding rates in effect on and after such date.

"(3) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after January 1, 1964, at a rate in excess of the maximum rate for his grade, as in effect on and after such date, he shall receive (A) the rate of the new schedule prescribed for employees at the maximum rate for his grade, or (B) his existing rate of basic compensation if such existing rate is higher.

"(4) If the officer or employee, immediately prior to the first day of the first pay period which begins on or after January 1, 1964, is receiving, pursuant to paragraph (4) of section 2(b) of the Federal Employees Salary Increase Act of 1955, an existing aggregate rate of compensation determined under section 208(b) of the Act of September 1, 1954 (68 Stat. 1111; Public Law 763, Eighty-third Congress), plus the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, by section 2 of the Federal Employees Salary Increase Act of 1958, and by section 112 of the Federal Employees Salary Increase Act of 1960, and the amount of the initial increase provided by this section, he shall receive an aggregate rate of compensation equal to the sum of (A) his existing aggregate rate of compensation determined under such section 208(b) of the Act of September 1, 1954, (B) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, (C) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1958, (D) the amount of the increase provided by section 112 of the Federal Employees Salary Increase Act of 1960, and (E) the amount of the increase made by this section in the maximum rate of his grade, until (i) he leaves his position, or (ii) he is entitled to receive aggregate compensation at a higher rate by reason of the operation of this Act or any other provision of law; but, when such position becomes vacant, the aggregate rate of compensation of any subsequent appointee thereto shall be fixed in accordance with applicable provisions of law. Subject to clauses (i) and (ii) of the immediately preceding sentence of this paragraph, the amount of the increase provided by this section shall be held and considered for the purpose of section 208(b) of such Act of September 1, 1954, to constitute a part of the existing rate of compensation of such employee.

"Step-Increases

"SEC. 603. Title VII of the Classification Act of 1949, as amended (5 U.S.C. 1121–1125), relating to step-increases under such Act, is amended to read as follows:

"*'Title VII—Step-increases*

"'SEC. 701. (a) Each officer or employee compensated on a per annum basis, and occupying a permanent position within the scope of the compensation schedules fixed by this Act, who has not attained the maximum rate of compensation for the grade in which his position is placed, shall be advanced in compensation successively to the next higher rate within the grade at the beginning of the next pay period following the completion of (1) each fifty-two calendar weeks of service in salary rates 1, 2, and 3, or (2) each one hundred and four calendar weeks of service in salary rates 4, 5, and 6, or (3) one each ice in salary rates, 7, 8, and 9, subject to the hundred and fifty-six calendar weeks of servfollowing conditions:

"'(A) That no equivalent increase in compensation from any cause was received during such period;

"'(B) That his work is of an acceptable level of competence as determined by the head of the department; and

"'(C) That the benefit of successive step-increases shall be preserved, under regulations issued by the Commission, for officers and employees whose continuous service is interrupted in the public interest by service with the Armed Forces or by service in essential non-Government civilian employment during a period of war or national emergency.

"'(b) Any increase in compensation granted by law shall not be construed to be an equivalent increase in compensation within the meaning of subsection (a).

"'SEC. 702. (a) Within the limit of available appropriations and in accordance with regulations prescribed by the Commission, the head of each department is authorized to grant additional step-increases in recognition of high quality performance above that ordinarily found in the type of position concerned. Step-increases under this section shall be in addition to those under section 701 and shall not be construed to be an equivalent increase in compensation within the meaning of subsection (a) of section 701.

"'(b) No officer or employee shall be eligible under this section for more than one such additional step-increase within any period of fifty-two weeks.

"'SEC. 703. This title shall not apply to the compensation of persons appointed by the President, by and with the advice and consent of the Senate.'

"General Compensation Rules

"SEC. 604. (a) Section 802(b) of the Classification Act of 1949, as amended (5 U.S.C. 1132(b)), relating to the salary to be received by an officer or employee who is promoted or transferred to a higher grade, is amended to read as follows:

"'(b) Any officer or employee who is promoted or transferred to a position in a higher grade shall receive basic compensation at the lowest rate of such higher grade which exceeds his existing rate of basic compensation by not less than two step-increases of the grade from which he is promoted or transferred. If, in the case of any officer or employee so promoted or transferred who is receiving basic compensation at a rate in excess of the maximum rate for his grade under any provision of law, there is no rate in such higher grade which is at least two step-increases above his existing rate of basic compensation, he shall receive (1) the maximum rate of such higher grade, or (2) his existing rate of basic compensation, if such existing rate is the higher. In case any such officer or employee so promoted or transferred is receiving basic compensation at a rate saved to him under section 507 of this Act upon reduction in grade, such officer or employee shall receive (A) basic compensation at a rate two steps above the rate which he would be receiving if such section 507 were not applicable in his case, or (B) his existing rate of basic compensation, if such existing rate is the higher.'

"(b) Section 802 of such Act is amended by adding at the end thereof a new subsection to read as follows:

"'(d) The Commission may issue regulations governing the retention of the rate of basic compensation of an employee who together with his position is brought under this Act. If any such employee so entitled to receive a retained rate under regulations issued pursuant to this subsection is later demoted to a position under this Act, his rate of basic compensation shall be determined in accordance with section 507 of this Act, except that service in the position which was brought under the Act shall, for purposes of section 507, be considered as service under this Act.'.

"(c) Section 803 of the Classification Act of 1949, as amended (5 U.S.C. 1133), is amended to read as follows:

"'SEC. 803. Each employee in a position under this Act, who regularly has responsibility for supervision (including supervision over the technical aspects of the work concerned) over employees whose compensation is fixed and adjusted from time to time by wage boards or similar administrative authorities as nearly as is consistent with the public interest in accordance with prevailing rates, may, in accordance with regulations issued by the Commission, be paid at one of the scheduled rates for his grade which is above the highest rate of basic compensation being paid to any such prevailing-rate employee regularly supervised, or at the maximum rate for his grade, as provided for in such regulations.'.

"Salary Retention

"SEC. 605. Section 507 of the Classification Act of 1949, as amended (72 Stat. 830; 5 U.S.C. 1107), is amended—

"(1) by striking out '(other than grade 16, 17, or 18 of the General Schedule)' in paragraph (1) of subsection (a) of such section; and

"(2) by striking out '(B) in the same grade or in the same and higher grades;' in paragraph (4) of subsection (a) of such section; and by inserting in lieu thereof '(B) in any grade or grades higher than the grade to which demoted;'.

"Top Grade Positions Under Classification Act of 1949

"SEC. 606. (a) Section 505(b) of the Classification Act of 1949, as amended (5 U.S.C. 1105(b)), relating to the limitation on numbers of positions in grades 16, 17, and 18 of the General Schedule of such Act, is amended by striking out 'not to exceed an aggregate of nineteen hundred and eighty-nine' and substituting in lieu thereof 'not to exceed an aggregate of twenty-four hundred, in addition to any professional engineering positions primarily concerned with research and development and professional positions in the physical and natural sciences and medicine which may be placed in such grades'.

"(b) Section 505(j) of such Act is amended by inserting after the word 'positions' the following: '(in addition to any professional engineering positions primarily concerned with research and development and professional positions in the physical and natural sciences and medicine which may be placed in such grades)'.

"(c) Section 505 of such Act is further amended by inserting after subsection (j) the following new subsections:

"'(k) The Attorney General is authorized, without regard to any other provision of this section, to place a total of ten positions of Warden in the Bureau of Prisons in grade 16 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grade by subsection (b).

"'(l) The Attorney General is authorized, without regard to any other provision of this section, to place a total of eight positions of Member of the Board of Parole in grade 17 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grade by subsection (b).'

"Conforming Changes in Existing Law

"SEC. 607. (a) The following provisions of law are hereby repealed:

"(1) Section 104 of the Department of Commerce and Related Agencies Appropriation Act, 1956 (69 Stat. 234; 5 U.S.C. 592(d), authorizing grade 17 of the General Schedule of the Classification Act of 1949 for the position of Budget Officer of the Department of Commerce so long as the position is held by the present incumbent.

"(2) Section 206 of the Public Works Appriation Act, 1956 (69 Stat. 360; 5 U.S.C. 483–2), authorizing the Secretary of the Interior to place the position of Director, Division of Budget and Finance, in grade 17 of the General Schedule established by the Classification Act of 1949 so long as the position is held by the present incumbent.

"(3) The second paragraph under the heading 'Administrative Provisions' in title III of the Public Works Appropriation Act, 1956 (69 Stat. 364, 10 U.S.C. 1335, note), authorizing the Chief of Engineers to place the position of Chief of the Programs Branch, Office of the Assistant Chief of Engineers for Civil Works, in grade 17 of the General Schedule established by the Classification Act of 1949 so long as the position is held by the present incumbent.

"(4) Section 24(d) of the Area Redevelopment Act (75 Stat. 62, 42 U.S.C. 2521(d),

authorizing five positions in grades 16, 17, and 18 of the General Schedule established by the Classification Act of 1949 for agencies performing functions under that Act.

"(5) The fourth sentence of section 3(a) of the Fish and Wildlife Act of 1956 (70 Stat. 1120; 16 U.S.C. 742b(a)), relating to the annual salary of the Commissioner of Fish and Wildlife in the Department of the Interior, which reads: 'He shall receive compensation at the same rate as that provided for grade GS–18.'.

"(6) That part of section 207 of the Agricultural Act of 1956 (70 Stat. 200; 7 U.S.C. 1857), relating to the annual salary of an agricultural surplus disposal administrator in the Department of Agriculture, which reads: ', at a salary rate of not exceeding $15,000 per annum,'.

"(7) Section 1102 of the Classification Act of 1949, as amended (63 Stat. 971; 5 U.S.C. 1073), relating to the submission of reports with respect to the rates of compensation under, and the administration of, such Act.

"(b) The second proviso of the paragraph under the heading 'FEDERAL PRISON SYSTEM' and under the subheading 'SALARIES AND EXPENSES, BUREAU OF PRISONS' in title II (the Department of Justice Appropriation Act, 1956) of the Departments of State and Justice, the Judiciary, and Related Agencies Appriations Act, 1956 (69 Stat. 273; Public Law 133, Eighty-fourth Congress; 5 U.S.C. 298a) is amended by striking out 'three positions' and inserting in lieu thereof 'one position'.

"SEC. 608. (a) Each position specifically referred to in, or covered by, any repeal made by section 607(a) of this title shall be placed in the appropriate grade of the General Schedule of the Classification Act of 1949, as amended, in accordance with the provisions of such Act.

"(b) Positions in grade 16, 17, or 18, as the case may be, of the General Schedule of the Classification Act of 1949, as amended, immediately prior to the effective date of this section, shall remain, on and after such effective date, in their respective grades, until appropriate action is taken under section 505 of the Classification Act of 1949 as in effect on and after such effective date.

"Savings Provisions

"SEC. 609. (a) The changes in existing law made by this title shall not affect any position existing immediately prior to the effective date of any such changes in existing law, the compensation attached to such position, and any incumbent thereof, his appointment thereto, and his entitlement to receive the compensation attached thereto, until appropriate action is taken in accordance with this title.

"(b) The incumbent of each such position immediately prior to the effective date of this title shall continue to receive the rate of basic compensation which he was receiving immediately prior to such effective date until he leaves such position or until he is entitled to receive compensation at a higher rate in accordance with law. When such incumbent leaves such position, the rate of basic compensation of each subsequent appointee to such position shall be determined in accordance with the Classification Act of 1949, as amended.

"Effective Dates

"SEC. 610. Except as otherwise expressly provided in this title, the provisions of this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

"Title III—Postal field service employees

"Short Title

"SEC. 701. This title may be cited as the 'Postal Employees Salary Adjustment Act of 1962'.

"Postal Field Service Schedules

"SEC. 702. Subsection (a) of section 3542 of title 39, United States Code, is amended to read as follows:

"'(a) There are established basic compensation schedules for positions in the postal field service which shall be known as the Postal Field Service Schedules and for which the symbol shall be "PFS". Each such schedule shall be in effect for the period specified with respect to such schedule. Except as provided in sections 3543 and 3544 of this title, basic compensation shall be paid to all employees in accordance with these schedules.

"'POSTAL FIELD SERVICE SCHEDULE I

"'(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act, and ending immediately prior to the applicable initial effective date of the second PFS schedule set forth below)

"'PFS	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
1	$3,595	$3,725	$3,855	$3,985	$4,115	$4,245	$4,375	$4,505	$4,635	$4,765	$4,895	$5,025
2	3,905	4,040	4,175	4,310	4,445	4,580	4,715	4,850	4,985	5,120	5,255	5,390
3	4,230	4,375	4,520	4,665	4,810	4,955	5,100	5,245	5,390	5,535	5,680	5,825
4	4,565	4,725	4,885	5,045	5,205	5,365	5,525	5,685	5,845	6,005	6,165	6,325
5	4,965	5,130	5,295	5,460	5,625	5,790	5,955	6,120	6,285	6,450	6,615	6,780
6	5,365	5,545	5,725	5,905	6,085	6,265	6,445	6,625	6,805	6,985	7,165	7,345
7	5,805	6,000	6,195	6,390	6,585	6,780	6,975	7,170	7,365	7,560		
8	6,285	6,495	6,705	6,915	7,125	7,335	7,545	7,755	7,965	8,175		
9	6,805	7,030	7,255	7,480	7,705	7,930	8,155	8,380	8,605	8,830		
10	7,395	7,640	7,885	8,130	8,375	8,620	8,865	9,110	9,355	9,600		
11	8,045	8,310	8,575	8,840	9,105	9,370	9,635	9,900	10,165			
12	8,840	9,135	9,430	9,725	10,020	10,315	10,610	10,905	11,200			
13	9,725	10,050	10,375	10,700	11,025	11,350	11,675	12,000	12,325			
14	10,705	11,060	11,415	11,770	12,125	12,480	12,835	13,190	13,545			
15	11,780	12,170	12,560	12,950	13,340	13,730	14,120	14,510	14,900			
16	12,955	13,385	13,815	14,245	14,675	15,105	15,535	15,965				
17	14,260	14,730	15,200	15,670	16,140	16,610	17,080	17,550				
18	15,500	16,000	16,500	17,000	17,500	18,000	18,500					
19	16,750	17,250	17,750	18,250	18,750	19,250						
20	18,000	18,500	19,000	19,500								

"'POSTAL FIELD SERVICE SCHEDULE II

"'(To be effective on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

"'PFS	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
1	$3,690	$3,820	$3,950	$4,080	$4,210	$4,340	$4,470	$4,600	$4,730	$4,860	$4,990	$5,120
2	4,010	4,145	4,280	4,415	4,550	4,685	4,820	4,955	5,090	5,225	5,360	5,495
3	4,345	4,490	4,635	4,780	4,925	5,070	5,215	5,360	5,505	5,650	5,795	5,940
4	4,690	4,850	5,010	5,170	5,330	5,490	5,650	5,810	5,970	6,130	6,290	6,450
5	5,085	5,255	5,425	5,595	5,765	5,935	6,105	6,275	6,445	6,615	6,785	6,955
6	5,500	5,685	5,870	6,055	6,240	6,425	6,610	6,795	6,980	7,165	7,350	7,535
7	5,950	6,150	6,350	6,550	6,750	6,950	7,150	7,350	7,550	7,750		
8	6,440	6,655	6,870	7,085	7,300	7,515	7,730	7,945	8,160	8,375		
9	6,965	7,200	7,435	7,670	7,905	8,140	8,375	8,610	8,845	9,080		
10	7,650	7,900	8,150	8,400	8,650	8,900	9,150	9,400	9,650	9,900		
11	8,410	8,690	8,970	9,250	9,530	9,810	10,090	10,370	10,650			
12	9,270	9,575	9,880	10,185	10,490	10,795	11,100	11,405	11,710			
13	10,210	10,545	10,880	11,215	11,550	11,885	12,220	12,555	12,890			
14	11,240	11,610	11,980	12,350	12,720	13,090	13,460	13,830	14,200			
15	12,370	12,780	13,190	13,600	14,010	14,420	14,830	15,240	15,650			
16	13,625	14,075	14,525	14,975	15,425	15,875	16,325	16,775				
17	15,000	15,495	15,990	16,485	16,980	17,475	17,970	18,465				
18	15,500	16,000	16,500	17,000	17,500	18,000	18,500					
19	16,750	17,250	17,750	18,250	18,750	19,250						
20	18,000	18,500	19,000	19,500								

"Rural Carrier Schedules

"SEC. 703. (a) Section 3543(a) of title 39, United States Code, is amended to read as follows:

"'(a) There are established basic compensation schedules which shall be known as the Rural Carrier Schedules, and for which the symbol shall be "RCS". Each such schedule shall be in effect for the period specified with respect to such schedule.

"'RURAL CARRIER SCHEDULE I

"'(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act, and ending immediately prior to the applicable initial effective date of the second RCS Schedule set forth below)

	"'Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
Carriers in rural delivery service:												
Fixed compensation per annum	$2,027	$2,127	$2,227	$2,327	$2,427	$2,527	$2,627	$2,727	$2,827	$2,927	$3,027	$3,127
Compensation per mile per annum for each mile up to 30 miles of route	75	77	79	81	83	85	87	89	91	93	95	97
For each mile of route over 30 miles	24	24	24	24	24	24	24	24	24	24	24	24

"'RURAL CARRIER SCHEDULE II

"'(To be effective for the period beginning on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

	"'Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
Carriers in rural delivery service:												
Fixed compensation per annum	$2,080	$2,180	$2,280	$2,380	$2,480	$2,580	$2,680	$2,780	$2,880	$2,980	$3,080	$3,180
Compensation per mile per annum for each mile up to 30 miles of route	77	79	81	83	85	87	89	91	93	95	97	99
For each mile of route over 30 miles	25	25	25	25	25	25	25	25	25	25	25	25'

"(b) Section 3543(c) of title 39, United States Code, is amended to read as follows:

"'(c) The Postmaster General may pay such additional compensation as he may determine to be fair and reasonable in each individual case to rural carriers serving heavily patronized routes.'

"(c) The first sentence of section 3543(f) of title 39, United States Code, is amended to read as follows: 'In addition to the compensation provided in the Rural Carrier Schedule, each rural carrier shall be paid for equipment maintenance a sum equal to—

"'(1) 12 cents per mile for each mile or major fraction of a mile scheduled, or

"'(2) $4.20 per day, whichever is greater.'

"(d) Section 3543 of title 39, United States Code, is amended by adding thereto new subsections (i) and (j) as follows:

"'(i) Each person serving as a substitute of record on the effective date of this subsection shall be placed in step 2 of the Rural Carrier Schedule and he shall be advanced by step-increases, on the basis of time on the rolls prior to the effective date, in accordance with the schedule of step-increases provided in section 3552, except that no such person shall be so advanced to a step higher than the step to which a regular carrier with the same length of service would have advanced prior to such effective date. Thereafter, he shall be advanced by step-increases, pursuant to the provisions of sections 3552 and 3553 of this title. On and after the effective date of this subsection, each substitute rural carrier shall be paid the daily rate, based on the step attained by him, for the route on which service is performed.

"'(j) Each temporary rural carrier who, on the effective date of this subsection, is serving on a vacant route pending the appointment of a regular rural carrier shall be placed in step 2 and shall be advanced by step-increases on the basis of any prior substitute or temporary rural carrier service in accordance with the schedule of step-increases provided in section 3552.'

"Fourth Class Office Schedules

"SEC. 704. (a) Section 3544(a) of title 39, United States Code, is amended to read as follows:

"'(a) There are established basic compensation schedules which shall be known as the Fourth Class Office Schedules, and for which the symbol shall be "FOS", for postmasters in post offices of the fourth class. Each such schedule shall be in effect for the period specified with respect to such schedule. Each such schedule is based upon the gross postal receipts as contained in returns of the post office for the calendar year immediately preceding. Basic compensation shall be paid to postmasters in post offices of the fourth class in accordance with these schedules.

"'FOURTH CLASS OFFICE SCHEDULE I

"'(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this act and ending immediately prior to the applicable initial effective date of the second FOS schedule set forth below)

"'Gross receipts	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
$1,300 to $1,499.99	$3,277	$3,386	$3,495	$3,604	$3,713	$3,822	$3,931	$4,040	$4,149	$4,258	$4,367	$4,476
$900 to $1,299.99	3,003	3,102	3,201	3,300	3,399	3,498	3,597	3,696	3,795	3,984	3,993	4,992
$600 to $899.99	2,457	2,540	2,623	2,706	2,789	2,872	2,955	3,038	3,121	3,204	3,287	3,370
$350 to $599.99	1,911	1,973	2,035	2,097	2,159	2,221	2,283	2,345	2,407	2,469	2,531	2,593
$250 to $349.99	1,366	1,410	1,454	1,498	1,542	1,586	1,630	1,674	1,718	1,762	1,806	1,850
$200 to $249.99	1,092	1,128	1,164	1,200	1,236	1,272	1,308	1,344	1,380	1,416	1,452	1,488
$100 to $199.99	820	846	872	898	924	950	976	1,002	1,028	1,054	1,080	1,106
Under $100	545	562	579	596	613	630	647	664	681	698	715	732

"'FOURTH CLASS SCHEDULE II

"'(To be effective on the first day of the first pay period beginning on or after Jan. 1, 1964, and thereafter)

"'Gross receipts	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
$1,300 to $1,499.99	$3,426	$3,540	$3,654	$3,768	$3,882	$3,996	$4,110	$4,224	$4,338	$4,452	$4,566	$4,680
$900 to $1,299.99	3,140	3,243	3,346	3,449	3,552	3,655	3,758	3,861	3,964	4,067	4,170	4,273
$600 to $899.99	2,569	2,655	2,741	2,827	2,913	2,999	3,085	3,171	3,257	3,343	3,429	3,515
$350 to $599.99	1,998	2,063	2,128	2,193	2,258	2,323	2,388	2,453	2,518	2,583	2,648	2,713
$250 to $349.99	1,428	1,474	1,520	1,566	1,612	1,658	1,704	1,750	1,796	1,842	1,888	1,934
$200 to $249.99	1,142	1,179	1,216	1,253	1,290	1,327	1,364	1,401	1,438	1,475	1,512	1,549
$100 to $199.99	857	884	911	938	965	992	1,019	1,046	1,073	1,111	1,127	1,154
Under $100	569	588	607	626	645	664	683	702	721	740	759	778'.

"(b) Section 3544(b) of title 39, United States Code, is amended to read as follows:

"'(b) The basic salary of postmasters in fourth-class post offices shall be readjusted for changes in gross receipts at the start of the first pay period after the beginning of each fiscal year. When a post office is restored to a gross receipts category held by it prior to relegation to a lower gross receipts category, the postmaster's basic salary may be adjusted to the highest salary step held by him when the post office was in the higher gross receipts category. In all other cases, in adjusting a postmaster's basic salary under this section, the basic salary shall be fixed at the lowest step which is higher than the basic salary received by the postmaster at the end of the preceding fiscal year. If there is no such step the basic salary shall be fixed at the highest step for the adjusted gross receipts of the office. Each increase in basic salary because of change in gross receipts shall be deemed the equivalent of a step-increase under section 3552 of this title and the waiting period, for purposes of advancement to the next step, shall begin on the date of adjustment.'

"SEC. 705. Section 3552 of title 39, United States Code, is amended to read as follows:

"'§ 3552. Automatic advancement by step increases

"'(a)(1) Each employee in levels 1 through 6 of the Postal Field Service Schedule, each employee subject to the Rural Carrier Schedule, and each employee subject to the Fourth Class Office Schedule, who has not reached the highest step for his position, shall be advanced successively to the next higher step as follows:

"'(A) To steps 2, 3, 4, 5, 6, and 7—at the beginning of the first pay period following the completion of fifty-two calendar weeks of satisfactory service; and

"'(B) To steps 8 and above—at the beginning of the first pay period following the completion of one hundred and fifty-six calendar weeks of satisfactory service.

"'(2) Each employee in the postal field service in level 7 or above of the Postal Field Service Schedule, who has not reached the highest step for his position, shall be advanced successively to the next higher step, as follows:

"'(A) To steps 2, 3, and 4—at the beginning of the first pay period following the completion of fifty-two calendar weeks of satisfactory service;

"'(B) To steps 5, 6, and 7—at the beginning of the first pay period following the completion of one hundred and four calendar weeks of satisfactory service; and

"'(C) To steps 8 and above—at the beginning of the first pay period following the completion of one hundred and fifty-six calendar weeks of satisfactory service.

"'(3) The receipt of an equivalent increase during any of the waiting periods specified in this subsection shall cause a new full waiting period to commence for further step-increases.

"'(b) Any increase in basic compensation granted by law on or after the date of enactment of the Postal Employees Salary Adjustment Act of 1962, to employees in the postal field service shall not be deemed to be an equivalent increase in basic compensation within the meaning of subsection (a) of this section.

"'(c) The benefit of successive step-increases shall be preserved, under regulations prescribed by the Postmaster General, for employees whose continuous service is interrupted by service in the armed services.'

"SEC. 706. Section 3554 of title 39, United States Code, is amended to read as follows:

"'§ 3554. Compensation of certain temporary employees

"'Temporary employees hired for a continuous period of one year or less for a position in the postal field service shall be paid basic compensation at the entrance step of the position to which they are appointed.'.

"SEC. 707. Section 3559 of title 39, United States Code, is amended to read as follows:

"'§ 3559. Promotions

"'An employee who is promoted to a position in the Postal Field Service Schedule which is not more than two salary levels above the salary level of the position from which promoted shall be paid basic compensation at the lowest step of the higher salary level which exceeds his existing basic compensation by not less than two steps of the salary level from which promoted. An employee who is promoted to a position in the Postal Field Service Schedule which is more than two salary levels above the level of the position from which promoted shall be paid basic compensation at the lowest step of the higher salary level which exceeds his existing basic compensation by not less than three steps of the salary level from which promoted. If there is no step in the salary level to which the employee is promoted which exceeds his existing basic compensation by at least the amount of the specified difference, the employee shall be paid the rate for the maximum step of the salary level to which promoted, or his existing basic compensation, whichever is higher.'.

"SEC. 708. Subsection (a)(4) of section 6402 of title 39, United States Code, is amended to read as follows:

"'(4) delivery and collection service may not be established or extended under a star route contract on a rural route except when such rural route does not meet the minimum standards established by the Postmaster General, and becomes vacant, and'.

"SEC. 709. Section 3101 of title 39, United States Code, is amended by deleting paragraphs (5) and (6), and inserting in lieu thereof, the following:

"'(5) "basic salary" and "basic compensation" means the rate of annual or hourly compensation specified by law, exclusive of overtime and night differential.'.

"SEC. 710. Subsection 3541(d) of title 39, United States Code, is amended by (a) inserting in paragraph (3) thereof, after 'rural carriers,' the phrase '(other than substitute rural carriers,)' and (b) adding a new paragraph (5) as follows:

"'(5) To compute the daily rate of basic compensation for substitute rural carriers, the annual rate of compensation shall be divided by 304.'.

"Conversion as of the first pay period beginning on or after the date of enactment of this act

"SEC. 711. (a) The basic compensation of each employee subject to Postal Field Service Schedule I or Rural Carrier Schedule I, as the case may be, on the effective date of such schedule shall be determined as follows:

"(1) Each employee shall be assigned to the same numerical level and step he was in prior to the effective date of such schedule, except that employees in the first four levels of the Postal Field Service Schedule and employees (except employees subject to section 3543(j) of title 39, United States Code) in the Rural Carrier Schedule shall be advanced as follows: Employees in step 1 to step 2 of the new schedule; step 2 to step 3; step 3 to step 4; step 4 to step 5; step 5 to step 6; step 6 to step 7; step 7 to step 8. If changes in level or step would otherwise occur on the effective date of such schedule without regard to the enactment of such schedule, such changes shall be deemed to have occurred prior to conversion under this paragraph.

"(2) In addition to conversion under paragraph (1) of this subsection, each employee shall be advanced one additional step for each longevity step which he had earned on or prior to such conversion.

"(3) Credit toward the next step-increase (other than toward longevity steps) earned by an employee who had not reached step 7 or who is not advanced to step 7 under paragraph (1) prior to the effective date of such schedule shall be creditable under subsection 3552(a) and section 3553 of title 39, United States Code, toward further step-increases if no step-increases were granted pursuant to paragraph (2) of this subsection. Credit earned toward longevity step-increases prior to the effective date of such schedule shall not be creditable toward further step-increases pursuant to subsection 3552(a), and section 3553 of title 39, United States Code.

"(b) The basic compensation of each postmaster subject to the Fourth Class Office Schedule I on the effective date of such schedule shall be determined as follows:

"(1) Each postmaster shall be assigned to the same receipts category and numerical step he was in prior to the effective date of such schedule. If changes in receipts category or step would otherwise occur on the effective date of such schedule without regard to the enactment of such schedule, such changes in receipts category or step shall be deemed to have occurred prior to conversion.

"(2) Postmasters who, as of the effective date of this schedule, have not reached step 7, shall retain credit for advancement to the next step under section 3552(a) and section 3553 of title 39, United States Code, if no step-increases are granted pursuant to paragraph 3 of this subsection. Credit earned toward longevity step-increases prior to the effective date of such schedule shall not be creditable toward further step-increases under section 3552(a) and section 3553 of title 39, United States Code.

"(3) For each longevity step earned on or prior to the effective date of such schedule postmasters shall be advanced one step.

"(c) If the existing basic compensation of any employee subject to the Postal Field Service Schedule, Rural Carrier Schedule, or Fourth Class Office Schedule, as the case may be, is greater than the rate established by subsection (a) or (b) of this section, he shall be placed in the first step of such schedule which exceeds his existing basic compensation; if the existing basic compensation is greater than any numerical step, his existing basic compensation shall be established as his basic compensation.

"Conversion as of the First Pay Period Beginning on or After January 1, 1964

"SEC. 712. The basic compensation of each employee subject to the Postal Field Service Schedule II, Rural Carrier Schedule II, or Fourth Class Office Schedule II, as the case may be, on the effective date of such schedule shall be determined as follows:

"(1) Each employee shall be assigned to the same numerical step for his position which he had attained prior to the effective date of such schedule. If changes in levels, receipts categories, or steps would otherwise occur on the effective date of such schedule without regard to enactment of such schedule, such changes shall be deemed to have occurred prior to conversion.

"(2) If existing basic compensation is greater than the rate to which the employee is converted under paragraph (1) of this section, the mployee shall be placed in the lowest step which exceeds his basic compensation, the employee shall be placed in the exceeds the maximum step of his position, his existing basic compensation shall be established as his basic compensation.

"SEC. 713. Subject to section 711(c) and 712(2) of this title, rates of compensation fixed by reason of section 3560 of title 39, United States Code, shall not be increased by this title, notwithstanding any provision of such section to the contrary.

"Basic Salary in Cases of Assignments of Postal Employees

"SEC. 714. (a) Section 3335(b) of title 39, United States Code, is amended by adding at the end thereof the following sentence: 'The Postmaster General may pay, as he deems advisable, in cases of such assignments, a basic salary computed in accordance with the provisions of such section 3559 without regard to the requirement in this subsection of assignment for more than thirty days in a calendar year.'.

"(b) Each payment of an increase in basic salary which was made prior to the date of enactment of this section for services performed for periods of thirty days or less in any calendar year in the course of an assignment referred to in section 3335(b) of title 39, United States Code, by a postal field service employee assigned to duties and responsibilities of a higher salary level, and which would have been authorized by such section 3335(b), if such services had been performed in the course of such assignment after the completion by such employee of thirty days of service in any calendar year in such higher salary level, are hereby validated to the same extent as if such services had been performed after the completion of thirty days of service in any calendar year in the course of such assignment. Payments of increases validated by this subsection shall be considered as basic salary for the purposes of the Civil Service Retirement Act (5 U.S.C. 2251–2267).

"Salary Protection Revision

"SEC. 715. (a) Section 3560(a)(1) of title 39, United States Code, is amended to read as follows:

"'(1) basic salary and salary level, with respect to the Postal Field Service Schedule,'.

"(b) Section 3560(b)(4) of title 39, United States Code, is amended to read as follows:

"'(4) who, for two continuous years immediately prior to such reduction in salary standing, served in the postal field service with any salary standing higher than the salary standing to which he is reduced; and'.

"(c) Section 3560(c) of title 39, United States Code, is amended—

"(1) by striking out the period at the end of paragraph (B) and inserting '; or' in lieu of such period, and

"(2) by adding at the end of such section 3560(c) the following paragraph:

"'(C) the amount of the rate in the lowest salary standing which such employee held during the two years immediately preceding such reduction in salary standing augmented by each step increase which he would have earned in such salary standing and by each increase provided by law in such salary rate.'.

"(d)(1) Subject to paragraph (2) of this section, the amendments made by this section to sections 3560(a)(1), 3560(b)(4), and 3560(c) of title 39, United State Code, shall apply only with respect to reductions in salary standing occurring on or after the date of enactment of this Act.

"(2) Payments not authorized by section 3560 of title 39, United States Code, which were made prior to the date of enactment of this Act to employees in the postal field service in connection with reductions in salary standing and which would have been authorized under such section 3560 if the amendments made by this section to subsections (b)(4) and (c) of such section 3560 had been in effect at the time such payments were made, are hereby validated to the same extent as if such amendments had been in effect at such time.

"Rules for Special Compensation

"SEC. 716. Chapter 41 of title 39, United States Code, is amended by adding immediately following section 3105 a new section 3106 as follows:

"'§ 3106. Special compensation rules

"'In order that the basic compensation schedules in sections 3542, 3543, and 3544 of this title may be used equitably and with maximum effect to attract and motivate employees, the Postmaster General may prescribe regulations pursuant to which he may, within the limit of available appropriations, grant to any officer or employee before the expiration of the periods prescribed by section 3552, step-increases in recognition of extra competence: *Provided*, That no officer or employee shall be eligible under this section for more than one such additional step-increase within any period of fifty-two weeks, and such increase shall not be considered to be an equivalent increase.'

"Personnel Requirements

"SEC. 717. (a) Section 3301 of title 39, United States Code, is amended to read as follows:

"'§ 3301. Personnel requirements

"'The Postmaster General shall determine the personnel requirements of the postal field service, and fix the number of supervisors and other employees in that service, except that there may not be at any one time more than one assistant postmaster employed at any post office or a total of 70 employees assigned to salary levels 18, 19, and 20 in the postal field service.'

"(b) Section 1310(a) of the Act of November 1, 1951 (65 Stat. 757), as amended, which fixes a ceiling on permanent employees in the Federal Government, is amended by inserting after the word *'Provided,'* the following: 'That increases in the number of permanent personnel in the Postal Field Service not exceeding 10 per centum above the total number of its permanent employees on September 1, 1950, shall not be chargeable to this limitation: *And provided further,'*.

"Conforming Amendment

"SEC. 718. (a) The table of contents of chapter 41 of title 39, United States Code, is amended by adding after the heading entitled 'Employees generally,' the following:

"'3106. Special compensation rules'.

"(b) The table of contents of chapter 45 of title 39, United States Code, is amended by deleting '3558. Longevity step-increases'.

"Repeals

"SEC. 719. Sections 101 through 105 of the Act of July 1, 1960 (74 Stat. 296, Public Law 86–568), and section 3558 of title 39, United States Code, are repealed.

"Effective Dates

"SEC. 720. Except as otherwise expressly provided in this title, the provisions of this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act, except that section 712 (conversion rules for second postal field service salary increases) shall become effective on the first day of the first pay period which begins on or after January 1, 1964.

"Title IV—Department of Medicine and Surgery in the Veterans' Administration

"SEC. 801. (a) Section 4103 of title 38 of the United States Code, relating to the appointment and annual salaries of the Chief Medical Director and certain other officers of the Department of Medicine and Surgery of the Veterans' Administration, is amended by striking out the words 'not to exceed eight Assistant Chief Medical Directors' in subsection (a) and inserting in lieu thereof the words 'not to exceed five Assistant Chief Medical Directors, such Medical Directors as may be designated to suit the needs of the Department,'.

"(b) Such section is further amended by striking out subsections (d) to (i), inclusive, and inserting in lieu thereof the following:

"'(d) Each Assistant Chief Medical Director shall be appointed by the Administrator upon the recommendation of the Chief Medical Director and shall be paid a salary of $20,000 a year.

"'One Assistant Chief Medical Director shall be a qualified doctor of dental surgery or dental medicine who shall be directly responsible to the Chief Medical Director for the operations of the Dental Service.

"'(e) Medical Directors, during their period of service as such, shall be paid a salary of $18,500 minimum to $19,500 maximum a year.

"'(f) The Director of Nursing Service shall be a qualified registered nurse, appointed by the Administrator, and shall be responsible to the Chief Medical Director for the operation of Nursing Service. During the period of service as such, the Director of Nursing Service shall be paid, effective on the first day of the first pay period beginning on or after—

"'the date of enactment of the Federal Salary Reform Act of 1962, a salary of $14,565 minimum to $17,925 maximum a year;

"'January 1, 1964, a salary of $15,665 minimum to $19,270 maximum a year.

"'(g) The Administrator may appoint a chief pharmacist and a chief dietitian. During the period of his service as such, the chief pharmacist and the chief dietitian shall be paid, effective on the first day of the first pay period beginning on or after—

"'the date of enactment of the Federal Salary Reform Act of 1962, a salary of $14,565 minimum to $17,925 maximum a year;

"'January 1, 1964, a salary of $15,665 minimum to $19,270 maximum a year.

"'(h) Except as provided in subsection (j), any appointment under this section shall be for a period of four years but persons so appointed shall be subject to removal by the Administrator for cause.

"'(i) Reappointments may be made for successive like periods.

"'(j) The Administrator may designate a member of the Chaplain Service of the Veterans' Administration as Director, Chaplain Service, for a period of two years, subject to removal by the Administrator for cause. During the period that any such member serves as Director, Chaplain Service, he shall be paid a salary, as determined by the Administrator, within the minimum and maximum salary limitations prescribed for grade GS–15 positions by the Classification Act of 1949, as amended. Redesignations under this subsection may be made for successive like periods. An individual designated as Director, Chaplain Service, shall at the end of his period of service as Director revert to the position, grade, and status which he held immediately prior to being designated Director, Chaplain Service, and all service as Director, Chaplain Service, shall be creditable as service in the former position.'

"Physicians, Dentists, and Nurses

"SEC. 802. Section 4107 of such title 38 relating to the minimum and maximum rates of annual salary of certain physicians, dentists, and nurses of the Department of Medicine and Surgery of the Veterans' Administration is amended to read as follows:

"'§ 4107. Grades and pay scales

"'(a)(1) Effective on the first day of the first pay period beginning or or after the date of enactment of the Federal Salary Reform Act of 1962, the grades and per annum full-pay ranges for positions provided in paragraph (1) of section 4104 of this title shall be as follows:

"'Physician and Dentist Schedule

"'Director grade, $16,000 minimum to $19,000 maximum.

"'Executive grade, $15,250 minimum to $18,750 maximum.

"'Chief grade, $14,565 minimum to $18,405 maximum.

"'Senior grade, $12,845 minimum to $16,245 maximum.

"'Intermediate grade, $11,150 minimum to $14,070 maximum.

"'Full grade, $9,475 minimum to $11,995 maximum.

"'Associate grade, $8,045 minimum to $10,165 maximum.

"'Nurse Schedule

"'Assistant Director grade, $12,845 minimum to $16,245 maximum.

"'Chief grade, $11,150 minimum to $14,070 maximum.

"'Senior grade, $9,475 minimum to $11,995 maximum.

"'Intermediate grade, $8,045 minimum to $10,165 maximum.

"'Full grade, $6,675 minimum to $8,700 maximum.

"'Associate grade, $5,820 minimum to $7,575 maximum.

"'Junior grade, $5,035 minimum to $6,565 maximum.

"'(2) Effective on the first day of the first pay period beginning on or after January 1, 1964, the per annum full pay ranges for positions provided in paragraph (1) of section 4104 of this title shall be as follows:

"'Physician and Dentist Schedule

"'Chief grade, $15,665 minimum to $19,785 maximum.

"'Senior grade, $13,615 minimum to $17,215 maximum.

"'Intermediate grade, $11,725 minimum to $14,805 maximum.

"'Full grade, $9,980 minimum to $12,620 maximum.

"'Associate grade, $8,410 minimum to $10,650 maximum.

"'Nurse Schedule

"'Assistant director grade, $13,615 minimum to $17,215 maximum.

"'Chief grade, $11,725 minimum to $14,805 maximum.

"'Senior grade, $9,980 minimum to $12,620 maximum.

"'Intermediate grade, $8,410 minimum to $10,650 maximum.

"'Full grade, $7,030 minimum to $9,100 maximum.

"'Associate grade, $6,090 minimum to $7,890 maximum.

"'Junior grade, $5,235 minimum to $6,810 maximum.

"'(b) No person may hold the director grade unless he is serving as a director of a hospital, domiciliary, center, or outpatient clinic (indepedent). No person may hold the executive grade unless he holds the position of chief of staff at a hospital, center, or outpatient clinic (independent), or the position of clinic director at an outpatient clinic, or comparable position.'

"SEC. 803. (a) Section 4108 of such title 38 which formerly prescribed the maximum amount of pay and allowances for medical, surgical, or dental specialists of the Department of Medicine and Surgery of the Veterans' Administration is amended, effective on the date of enactment of this Act to read as follows:

"'§ 4108. Administration

"'Notwithstanding any law, Executive order, or regulation, the Administrator shall prescribe by regulation the hours and conditions of employment and leaves of absence of physicians, dentists, and nurses.'

"(b) The table of contents of chapter 73 of such title 38 is amended by striking out

"'4108. Specialist ratings.'

and inserting in lieu thereof.

"'4108. Administration.'

"Directors of Hospitals, Domiciliaries, and Centers

"SEC. 804. Section 4111(b) of such title 38, relating to the annual salary of certain individuals serving as director of a hospital, domiciliary, or center, is amended, effective on the date of enactment of this Act, to read as follows:

"'(b) Notwithstanding any other provision of law, the per annum salary rate of each individual serving as a director of a hospital, domiciliary, or center who is not a physician in the medical service shall not be less than the rate of salary which he would receive under section 4107 of this title if his service as a director of a hospital, domiciliary, or center had been service as a physician in the director grade. This subsection shall not affect the allocation of any position of director of a hospital, domiciliary, or center to any grade of the General Schedule of the Classification Act of 1949, except with respect to changes in rate of salary pursuant to the preceding sentence, and shall not affect the applicability of the Performance Rating Act of 1950 to any individual."

"SEC. 805. Except as otherwise expressly provided in this title, this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

"Title V—Foreign Service Act of 1946

"Short Title

"SEC. 901. This title may be cited as the 'Foreign Service Salary Reform Act of 1962'.

"Foreign Service Officers

"SEC. 902. The fourth sentence of section 412 of the Foreign Service Act of 1946, as amended (22 U.S.C. 867), is amended to read as follows:

"'On the first day of the first pay period which begins on or after the date of enactment of the Foreign Service Salary Reform Act of 1962, the per annum salaries of Foreign Service officers within each of the other classes shall be as follows:

"'Class 1	$18,975	$19,650					
Class 2	15,900	16,400	$16,900	$17,400	$17,900	$18,400	$18,900
Class 3	13,440	13,885	14,330	14,775	15,220	15,665	16,110
Class 4	11,150	11,515	11,880	12,245	12,610	12,975	13,340
Class 5	9,315	9,620	9,925	10,230	10,535	10,840	11,145
Class 6	7,705	7,960	8,215	8,470	8,725	8,980	9,235
Class 7	6,475	6,690	6,905	7,120	7,335	7,550	7,765
Class 8	5,540	5,725	5,910	6,095	6,280	6,465	6,650

"'On the first day of the first pay period which begins on or after January 1, 1964, the per annum salaries of Foreign Service officers within each of the other classes shall be as follows:

"'Class 1	$18,975	$19,650					
Class 2	15,900	16,400	$16,900	$17,400	$17,900	$18,400	$18,900
Class 3	14,265	14,735	15,205	15,675	16,145	16,615	17,085
Class 4	11,725	12,110	12,495	12,880	13,265	13,650	14,035
Class 5	9,695	10,015	10,335	10,655	10,975	11,295	11,615
Class 6	8,090	8,355	8,620	8,885	9,150	9,415	9,680
Class 7	6,810	7,035	7,260	7,485	7,710	7,935	8,160
Class 8	5,795	5,990	6,185	6,380	6,575	6,770	6,965'

"Foreign Service Staff Officers and Employees

"SEC. 903. Section 415 of such Act is amended to read as follows:

"'SEC. 415. (a) Effective on the first day of the first pay period which begins on or after the date of enactment of the Foreign Service Salary Reform Act of 1962, there shall be ten classes of Foreign Service staff officers and employees, referred to hereafter as staff officers and employees, and the per annum salaries of staff officers and employees within each class shall be as follows:

"Class 1	$13,440	$13,885	$14,330	$14,775	$15,220	$15,665	$16,110	$16,555	$17,000	
Class 2	11,150	11,515	11,880	12,245	12,610	12,975	13,340	13,705	14,070	
Class 3	9,315	9,620	9,925	10,230	10,535	10,840	11,145	11,450	11,755	
Class 4	7,705	7,960	8,215	8,470	8,725	8,980	9,235	9,490	9,745	
Class 5	6,910	7,140	7,370	7,600	7,830	8,060	8,290	8,520	8,750	$8,980
Class 6	6,225	6,435	6,645	6,855	7,065	7,275	7,485	7,695	7,905	8,115
Class 7	5,610	5,800	5,990	6,180	6,370	6,560	6,750	6,940	7,130	7,320
Class 8	5,060	5,230	5,400	5,570	5,740	5,910	6,080	6,250	6,420	6,590
Class 9	4,575	4,725	4,875	5,025	5,175	5,325	5,475	5,625	5,775	5,930
Class 10	4,110	4,250	4,390	4,530	4,670	4,825	4,980	5,135	5,290	5,445

"On the first day of the first pay period which begins on or after January 1, 1964, the per annum salaries of staff officers and employees within each class shall be as follows:

"'Class 1	$14,265	$14,735	$15,205	$15,675	$16,145	$16,615	$17,085	$17,555	$18,025	
Class 2	11,725	12,110	12,495	12,880	13,265	13,650	14,035	14,420	14,805	
Class 3	9,695	10,015	10,335	10,655	10,975	11,295	11,615	11,935	12,255	
Class 4	8,090	8,355	8,620	8,885	9,150	9,415	9,680	9,945	10,210	
Class 5	7,295	7,535	7,775	8,015	8,255	8,495	8,735	8,975	9,215	$9,455
Class 6	6,570	6,785	7,000	7,215	7,430	7,645	7,860	8,075	8,290	8,505
Class 7	5,890	6,085	6,280	6,475	6,670	6,865	7,060	7,255	7,450	7,645
Class 8	5,270	5,445	5,620	5,795	5,970	6,145	6,320	6,495	6,670	6,845
Class 9	4,715	4,870	5,025	5,180	5,335	5,490	5,645	5,800	5,955	6,110
Class 10	4,215	4,355	4,495	4,635	4,775	4,915	5,060	5,215	5,370	5,525

"'(b) Notwithstanding the provisions of subsection (a) of this section, the Secretary may, under such regulations as he may prescribe, classify positions at levels below class 10, and establish salary rates therefor at lower rates than those prescribed by this section, for American employees recruited abroad who are not available or are not qualified for transfer to another post and who perform duties of a more routine nature than are generally performed at the class 10 level.'

"Conversion

"SEC. 904. Foreign Service officers, Reserve officers, and Foreign Service staff officers and employees who are entitled to receive basic compensation immediately prior to the effective date of this title at one of the rates provided by section 412 or 415 of the Foreign Service Act of 1946, shall receive basic compensation on and after the effective date of this title at the rate of their class determined to be appropriate by the Secretary of State: *Provided*, That staff officers and employees shall be transferred to the new staff classes established by this Act as follows:

"Present class under section 415 of the Foreign Service Act of 1946	Corresponding new class under section 415 of the Foreign Service Act of 1946, as amended
FSS– 1	FSS– 1
FSS– 2	FSS– 1
FSS– 3	FSS– 2
FSS– 4	FSS– 2
FSS– 5	FSS– 3
FSS– 6	FSS– 3
FSS– 7	FSS– 4
FSS– 8	FSS– 5
FSS– 9	FSS– 6
FSS–10	FSS– 7
FSS–11	FSS– 8
FSS–12	FSS– 9
FSS–13	FSS–10
FSS–14 and below	(1)

"[1] Remain at present class and salary rate until revised pursuant to new section 415(b).

"Conforming Amendments

"SEC. 905. The heading of section 642 of the Foreign Service Act of 1946 is amended by deleting the words 'and longevity' and section 642 is amended by deleting '(a)' in the first paragraph and by deleting subsection (b) in its entirety.

"Effective Date

"SEC 906. Except as otherwise expressly provided in this title, this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

"Title VI—Miscellaneous salary provisions

"Revision of Salary Limitations for Certain Scientific and Professional Positions

"SEC. 1001. (a)(1) Section 2(b) of the Act of August 1, 1947 (Public Law 313, Eightieth Congress, as amended (75 Stat. 789; 5 U.S.C. 1161–1163)), relating to the rates of compensation of certain scientific or professional positions, is amended to read as follows:

"'(b) The per annum rates of compensation for positions established pursuant to the provisions of this Act shall not be less than the minimum rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act and shall be subject to the approval of the United States Civil Service Commission.'.

"(2) The first section of such Act is amended by adding at the end thereof the following new subsection:

"'(g) the Librarian of Congress is authorized to establish and fix the compensation for not more than eight scientific or professional positions in the Library of Congress, each such position being established to carry out research and development functions of the Library which require the services of specially qualified personnel. Section 2(a) shall not apply to positions established under this subsection.'

"(b) Section 1581(b) of title 10 of the United States Code, relating to the rates of compensation of certain scientific or professional positions in the Department of Defense, is amended to read as follows:

"'(b) Subject to the Civil Service Commission's approval as to rates, the Secretary may fix the compensation for positions established under subsection (a). However, the per annum compensation may not be less than the minimum rate of grade 16 of the General Schedule of the Classification Act of

1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act.'.

"(c) Section 4 of the Act of May 29, 1959 (73 Stat. 63; Public Law 86-36), as amended by section 204 of the Act of October 4, 1961 (75 Stat. 791; Public Law 87-367), authorizing scientific and professional positions in the National Security Agency, is amended by striking out ', as amended by paragraph (34) (B) of the first section of the Act of September 2, 1958 (72 Stat. 1456; Public Law 85-861)'.

"(d) The proviso contained in the first sentence of section 208(g) of the Public Health Service Act, as amended (42 U.S.C. 210(g), relating to the rates of compensation of certain scientific, professional, and administrative personnel in the Public Health Service, is amended to read as follows: ': *Provided,* That the rates of compensation for positions established pursuant to the provisions of this subsection shall not be less than the minimum rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act, and shall be subject to the approval of the Civil Service Commission.'.

"(e) The proviso contained in the second sentence of section 12 of the Act of May 29, 1884 (62 Stat. 198 as amended and supplemented; 21 U.S.C. 113a), authorizing the Secretary of Agriculture to employ and fix the compensation of technical experts and scientists for research and study of foot-and-mouth disease and other animal diseases, is amended to read as follows: ': *Provided,* That the number so employed shall not exceed five and that the maximum compensation for each shall not exceed the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended.'.

"(f) Section 203(b)(2) of the National Aeronautics and Space Act of 1958 (72 Stat. 429; 42 U.S.C. 2473(b)(2)), as amended, authorizing the Administrator of the National Aeronautics and Space Administration to establish and fix the compensation of four hundred and twenty-five scientific, engineering, and administrative positions, is amended by striking out, in the second sentence, ', except that (A) to the extent to the Administrator deems such action necessary to the discharge of his responsibilities, he may appoint and fix the compensation (up to a limit of $19,000 a year, or up to a limit of $21,000 a year for a maximum of thirty positions) of' and by inserting in lieu thereof ', except that (A) to the extent the Administrator deems such action necessary to the discharge of his responsibilities, he may appoint and fix the compensation (at not to exceed the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended, or, for a maximum of thirty positions, not to exceed $21,000 a year) of.

"(g) That part of the proviso in section 161d. of the Atomic Energy Act of 1954, as amended (71 Stat. 613; 42 U.S.C. 2201), fixing a limit of $19,000 on the compensation of scientific and technical personnel, is amended by striking out the words 'up to a liimt of $19,000)' and inserting in lieu thereof 'up to a limit of the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended)'.

"(h) Section 302(f) of the Federal Aviation Act of 1958 (72 Stat. 746; 49 U.S.C. 1343 (d)), as amended, authorizing the Administrator of the Federal Aviation Agency to select, employ, and fix the compensation of 23 positions at rates not to exceed $19,500 per annum, is amended by striking out '$19,-500 per annum' and inserting in lieu thereof 'the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended'.

"(i) Section 2 of the Act of June 14, 1948, as amended (62 Stat. 441; 66 Stat. 43; 22 U.S.C. 290a), relating to the compensation of the United States representative and alternate on the Executive Board of the World Health Organization, is amended by striking out 'Such representative shall be entitled to receive compensation at a rate not to exceed $12,000 per annum and any such alternate shall be entitled to receive compensation at a rate not to exceed $10,000 per annum', and inserting in lieu thereof 'Such representative and any such alternate shall each be entitled to receive compensation at one of the rates provided by section 412 of the Foreign Service Act of 1946, as amended,'.

"(j) Section 104(b) of the Mutual Educational and Cultural Exchange Act of 1961 (75 Stat. 530; Public Law 87-256) authorizing the fixing of the compensation of not to exceed ten employees without regard to the Classification Act of 1949, is amended to read as follows:

"'(b) The President is authorized to employ such other personnel as he deems necessary to carry out the provisions and purposes of this Act, and of such personel not to exceed ten may be compensated without regard to the provisions of the Classification Act of 1949, as amended, but not in excess of the highest rate of grade 18 of the general schedule established by such Act. Such positions shall be in addition to the number authorized by section 505 of the Classification Act of 1949, as amended.'

"(k)(1) Section 625(b) of the Foreign Assistance Act of 1961 (75 Stat. 449; Public Law 87-195), as amended, is amended by striking out 'and of these, not to exceed eight may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year' and inserting in lieu thereof 'but not in excess of the highest rate of grade 18 of such general schedule'.

"(2) Section 625(c) of such Act is amended by striking out 'and of these, not to exceed three may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year' and inserting in lieu thereof 'but not in excess of the highest rate of grade 18 of such general schedule'.

"(l) Section 7(b) of the Peace Corps Act (75 Stat. 615; Public Law 87-293) is amended by striking out 'and of these not to exceed two may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year' and inserting in lieu thereof 'but not in excess of the highest rate of grade 18 of such general schedule'.

"Agricultural stabilization and conservation county committee employees

"SEC. 1002. The rates of compensation of persons employed by the county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) shall be increased by amounts equal, as nearly as may be practicable, to the increases provided by title II of this part for corresponding rates of compensation in the appropriate schedule or scale of pay.

"Assistant United States Attorneys

"SEC. 1003. (a) The last paragraph of section 508 of title 28 of the United States Code is amended to read as follows:

"'Assistant United States attorneys and attorneys appointed under section 503 of this title—not more than $17,500.'

"(b) The rates of basic compensation of assistant United States attorneys whose basic salaries are fixed by section 508 of title 28, United States Code, shall be increased by 7½ per centum effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

"Employees in the Judicial Branch

"SEC. 1004. (a) The rates of basic compensation of officers and employees in or under the judicial branch of the Government whose rates of compensation are fixed by or pursuant to paragraph (2) of subdivision a of section 62 of the Bankruptcy Act (11 U.S.C. 102(a)(2)), section 3656 of title 18 of the United States Code, the third sentence of section 603, section 604(a)(5), or section 672 to 675, inclusive, of title 28 of the United States Code, or section 107(a)(6) of the Act of July 31, 1956, as amended (5 U.S.C. 2206(a)(6)), are hereby increased by two amounts, the first amount to be effective for the period beginning as of the first day of the first pay period which begins on or after the date of enactment of this Act, and ending immediately prior to the first day of the first pay period which begins on or after January 1, 1964, and the second amount to be effective on the first day of the first pay period which begins on or after January 1, 1964, and thereafter, which reflect the respective applicable increases provided by title II of this part in corresponding rates of compensation for officers and employees subject to the Classification Act of 1949, as amended.

"(b) The limitations povided by applicable law on the effective date of this section with respect to the aggregate salaries payable to secretaries and law clerks of circuit and district judges are hereby increased by two amounts, the first amount to be effective for the period beginning as of the first day of the first pay period which begins on or after the date of enactment of this Act, and ending immediately prior to the first day of the first pay period which begins on or after January 1, 1964, and the second amount to be effective on the first day of the first pay period which begins on or after January 1, 1964, and thereafter, which reflect the respective applicable increases provided by title II of this part in corresponding rates of compensation for officers and employees subject to the Classification Act of 1949, as amended.

"(c) Section 753(e) of title 28 of the United States Code (relating to the compensation of court reporters for district courts) is amended by striking out the existing salary limitation contained therein and inserting a new limitation to be effective for the period beginning as of the first day of the first pay period which begins on or after the date of enactment of this Act, and ending immediately prior to the first day of the first pay period which begins on or after January 1, 1964, and a second new limitation effective on the first day of the first pay period which begins on or after January 1, 1964, and thereafter, which reflect the respective applicable increases provided by title II of this part in corresponding rates of compensation for officers and employees subject to the Classification Act of 1949, as amended.

"Employees in the Legislative Branch

"SEC. 1005. (a) Each officer and employee in or under the legislative branch of the Government whose rate of compensation is increased by section 5 of the Federal Employees Pay Act of 1946 shall be paid additional compensation at the rate of 7 per centum of his gross rate of compensation (basic compensation plus additional compensation authorized by law).

"(b) The basic compensation of each employee in the office of a Senator is hereby adjusted, effective on October 16, 1962, to the lowest multiple of $60 which will provide a gross rate of compensation not less than the gross rate such employee was receiving immediately prior thereto, except that the foregoing provisions of this subsection shall not apply in the case of any employee if on or

before the fifteenth day following the date of enactment of this Act the Senator by whom such employee is employed notifies the disbursing office of the Senate in writing that he does not wish such provisions to apply to such employee. In any case in which, at the expiration of the time within which a Senator may give notice under this subsection, such Senator is deceased such notice shall be deemed to have been given.

"(c) Notwithstanding the provision referred to in subsection (d), the rates of gross compensation of the elected officers of the Senate (except the Presiding Officer of the Senate), the Legislative Counsel of the Senate, the Official Reporters of Debates of the Senate, the Parliamentarian of the Senate, the Senior Counsel in the Office of the Legislative Counsel of the Senate, and the Chief Clerk of the Senate are hereby increased by 7 per centum.

"(d) The paragraph imposing limitations on basic and gross compensation of officers and employees of the Senate appearing under the heading 'SENATE' in the Legislative Appropriation Act, 1956, as amended (74 Stat. 304; Public Law 86–568), is amended to read as follows:

"'No officer or employee whose compensation is disbursed by the Secretary of the Senate shall be paid basic compensation at a rate in excess of $8,880 per annum, or gross compensation at a rate in excess of $18,880 per annum, unless expressly authorized by law.'

"'(e) The limitation on gross rate per hour per person provided by applicable law on the effective date of this section with respect to the folding of speeches and pamphlets for the Senate is hereby increased by 7 per centum. The amount of such increase shall be computed to the nearest cent, counting one-half cent and over as a whole cent. The provisions of subsection (a) of this section shall not apply to employees whose compensation is subject to such limitation.

"(f) Each officer or employee of the House of Representatives, whose compensation is disbursed by the Clerk of the House of Representatives and is not increased automatically, or is not permitted to be increased administratively, by reason of any other provision of this section, shall receive additional compensation at the rate of 7 per centum of the rate of his total annual compensation in effect immediately prior to the effective date of this section.

"(g) The limitations on gross rate per thousand and gross rate per hour per person provided by applicable law on the effective date of this section with respect to the folding of speeches and pamphlets for the House of Representatives are hereby increased by 7 per centum. The amount of each such increase shall be computed to the nearest cent, counting one-half cent and over as a whole cent.

"(h) The additional compensation provided by this section shall be considered a part of basic compensation for the purposes of the Civil Service Retirement Act (5 U.S.C. 2251 and the following).

"(i) Notwithstanding any other provision of this section, no rate of compensation which exceeds $21,500 shall be increased by this section, and no increase provided by this section shall cause the gross rate of compensation (basic plus additional compensation authorized by law) or the total annual compensation of any officer or employee to exceed $21,500.

"(j) Insofar as the provisions of this section apply to officers and employees whose compensation is based on a monthly pay period which begins on the first day of the month, such provisions shall become effective on October 16, 1962.

"Saving Provision

"SEC. 1006. Notwithstanding any provision of this Act, no rate of basic, gross, or total annual compensation or salary shall be reduced by reason of the enactment of this Act.

"Absorption of Costs

"SEC. 1007. (a) The departments, agencies, establishments, and corporations in the executive branch shall absorb the costs of the increases in basic compensation provided by this Act to the fullest extent possible without seriously affecting the immediate execution of essential functions.

"(b) No request for additional or supplemental appropriations to meet the increases in basic compensation provided by this Act shall be transmitted to the Congress unless it is accompanied by a certification of the Director of the Bureau of the Budget that the amounts requested are necessary to provide for the continued execution of essential functions of the department, agency, or corporation concerned.

"(c) Pursuant to the objective of this section, heads of the executive branch activities concerned are directed to review with meticulous care each vacancy resulting from voluntary resignation, retirement, or death and to determine whether the duties of the position can be reassigned to other employees or whether the position can be abolished without seriously affecting the execution of essential functions.

"(d) Nothing contained in subsection (a) of this section shall be held or considered to require (1) the separation from the service of any individual by reduction in force or other personnel action or (2) the placing of any individual in a leave-without-pay status.

"Effective Date

"SEC. 1008. Except as otherwise expressly provided, this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

"Ceiling provision

"SEC. 1009. Except as provided in section 1005, no rate of compensation which exceeds $20,000 per annum shall be increased or established by or pursuant to this Act and no increase made by or pursuant to this Act shall cause any rate of compensation to exceed $20,000 per annum.

"PART III—ADJUSTMENT OF ANNUITIES

"SEC. 1101. (a) The annuity of of each person who, on the effective date of this section, is receiving or entitled to receive an annuity from the civil service retirement and disability fund shall be increased by 5 per centum of the amount of such annuity.

"(b) The annuity of each persons who receives or is entitled to receive an annuity from the civil service retirement and disability fund commencing during the period which begins on the day following the effective date of this section and ends five years after such date, shall be increased in accordance with the following table:

"If the annuity commences between—	*The annuity shall be increased by—*
"January 2, 1963, and December 31, 1963	4 per centum
"January 1, 1964, and December 31, 1964	3 per centum
"January 1, 1965, and December 31, 1965	2 per centum
"January 1, 1966, and December 31, 1966	1 per centum

"(c) In lieu of any other increase provided by this section, the annuity of a survivor of a retired employee or Member of Congress who received an increase under this section shall be increased by a percentage equal to the percentage by which the annuity of such employee or Member was so increased.

"(d) No increase provided by this section shall be computed on any additional annuity purchased at retirement by voluntary contributions.

"(e) The limitation reading 'or (3) the sum necessary to increase such annuity, exclusive of annuity purchased by voluntary contributions under the second paragraph of section 10 of this Act, to $2,160' contained in section 8(c)(1) of the Civil Service Retirement Act of May 29, 1930, as amended by the Acts of July 16, 1952 (66 Stat. 722; Public Law 555, Eighty-second Congress), and August 31, 1954 (68 Stat. 1043; Public Law 747, Eighty-third Congress), shall not be effective on or after the effective date of this section.

"(f) The limitation contained in the next to the last sentence of section 8(d)(1) of the Civil Service Retirement Act of May 29, 1930, as amended, as enacted by the Act of August 11, 1955 (69 Stat. 692; Public Law 369, Eighty-fourth Congress), shall not be effective on and after the effective date of this section.

"(g) The increases provided by this section shall take effect on the effective date of this section, except that any increase under subsection (b) or (c) shall take effect on the beginning date of the annuity.

"(h) The monthy installment of annuity after adjustment under this section shall be fixed at the nearest dollar.

"Sec. 1102. (a) Section 1 of the Civil Service Retirement Act is amended by adding at the end thereof the following new subsection:

"'(t) The term "price index" shall mean the annual average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics.'

"(b) Such Act is further amended by redesignating section 18 as 19, and by inserting after section 17 the following new section:

"'Cost-of-Living Adjustment of Annuities

"'Sec. 18. (a) After January 1, 1964, and after each succeeding January 1, the Commission shall determine the per centum change in the price index from the later of 1962 or the year preceding the most recent cost-of-living adjustment to the latest complete year. On the basis of such Commission determination, the following adjustments shall be made:

"'(1) Effective April 1, 1964, if the change in the price index from 1962 to 1963 shall have equaled a rise of at least 3 per centum, each anuity payable from the fund which has a commencing date earlier than January 2, 1963, shall be increased by the per centum rise in the price index adjusted to the nearest one-tenth of 1 per centum.

"'(2) Effective April 1 of any year other than 1964 after the price index change shall have equaled a rise of at least 3 per centum, each annuity payable from the fund which has a commencing date earlier than January 2 of the preceding year shall be increased by the per centum rise in the price index adjusted to the nearest one-tenth of 1 per centum.

"'(b) Eligibility for an annuity increase under this section shall be governed by the commencing date of each annuity payable from the fund as of the effective date of an increase, except as follows:

"'(1) Effective from the date of the first increase under this section, an annuity payable from the fund to an annuitant's survivor (other than a child entitled under section 10(d)), which annuity commenced the day after the annuitant's death, shall be increased as provided in subsection (a)(1) or (a)(2) if the commencing date of annuity to the annuitant was earlier than January 2 of the year preceding the first increase.

"'(2) Effective from its commencing date, an annuity payable from the fund to an annuitant's survivor (other than a child entitled under section 10(d)), which annuity commences the day after the annuitant's death and after the effective date of the first increase under this section, shall be increased by the total per centum increase the annuitant was receiving under this section at death.

"'(3) For purposes of computing an annuity which commences after the effective date of the first increase under this section to a child under section 10(d), the items $600, $720, $1,800, and $2,160 appearing in section 10(d) shall be increased by the total per centum increase allowed and in force under this section, and, in case of a deceased annuitant, the items 40 per centum and 50 per centum appearing in section 10(d) shall be increased by the total per centum increase allowed and in force under this section to the annuitant at death. Effective from the date of the first increase under this section, the provisions of this paragraph shall apply as if such first increase were in effect with respect to computation of a child's annuity under section 10(d) which commenced between January 2 of the year preceding the first increase and the effective date of the first increase.

"'(c) No increase in annuity provided by this section shall be computed on any additional annuity purchased at retirement by voluntary contributions.

"'(d) The monthly installment of annuity after adjustment under this section shall be fixed at the nearest dollar.'

"SEC. 1103. (a) Section 9(g) of the Civil Service Retirement Act is amended to read as follows:

"'(g) The annuity as hereinbefore provided (excluding any increase because of retirement under section 7) for any married employee or Member retiring under this Act, or any portion of such annuity designated in writing for purposes of section 10(a)(1), shall be reduced by 2½ per centum of so much thereof as does not exceed $3,600 and by 10 per centum of so much thereof as exceeds $3,600, unless the employee or Member notifies the Commission in writing at the time of retirement that he does not desire his wife or husband to receive an annuity as provided in section 10(a)(1).'

"(b) Section 10(a)(1) of such Act is amended to read as follows:

"'(1) If an employee or Member dies after having retired under any provision of this Act and is survived by a wife or husband to whom the employee or Member was married at the time of retirement, such wife or husband shall be paid an annuity equal to 55 per centum of an annuity computed as provided in subsections (a), (b), (c), (d), (e), and (f) of section 9, as may apply with respect to the annuitant, or of such portion thereof as may have been designated in writing for such purpose by the employee or Member at the time of retirement, unless the employee or Member has notified the Commission in writing at the time of retirement that he does not desire his wife or husband to receive such annuity."

"(c) Section 10(b) of such Act is amended by striking out '50 per centum' and inserting in lieu thereof '55 per centum'.

"(d) Section 10(c) of such Act is amended by striking out '50 per centum' and inserting in lieu thereof '55 per centum'.

"(e) Section 10(e) of such Act is amended by striking out '50 per centum' and inserting in lieu thereof '55 per centum'.

"(f)(A) Section 1(j) of the Civil Service Retirement Act is amended by substituting a comma for the period at the end thereof and adding the following: 'or such unmarried child between eighteen and twenty-one years of age who is a student regularly pursuing a full-time course of study or training in residence in a high school, trade school, technical or vocational institute, junior college, college, university, or comparable recognized educational institution. A child whose twenty-first birthday occurs prior to July 1 or after August 31 of any calendar year, and while he is regularly pursuing such a course of study or training, shall be deemed for the purposes of this paragraph and section 10(d) to have attained the age of twenty-one on the first day of July following such birthday. A child who is a student shall not be deemed to have ceased to be a student during any interim between school years if the interim does not exceed four months and if he shows to the satisfaction of the Commission that he has a bona fide intention of continuing to pursue a course of study or training in the same or different school during the school semester (or other period into which the school year is divided) immediately following the interim.'

"(B) The third sentence of section 10(d) of the Act is amended to read as follows: 'The child's annuity shall commence on the day after the employee or Member dies, and such annuity granted under this Act or under the Act of May 29, 1930, as amended from and after February 28, 1948, or any right thereto shall terminate on the last day of the month before (1) his attaining age eighteen unless incapable of self-support, age (2) his becoming capable of self-support after eighteen, (3) his marriage, or (4) his death, except that the annuity of a child who is a student as described in section 1(j) shall terminate on the last day of the month before (1) his marriage, (2) his death, (3) his ceasing to be such a student, or (4) his attaining age twenty-one.'

"SEC. 1104. Section 1101 of this part shall take effect on January 1, 1963. The amendments made by section 1103 (except subsection (f)) shall not apply in the case of employees or Members retired or otherwise separated prior to the date of enactment of this Act, and the rights of such persons and their survivors shall continue in the same manner and to the same extent as if these amendments had not been enacted."

And the Senate agree to the same.

TOM MURRAY,
JAMES H. MORRISON,
ROBERT J. CORBETT,
Managers on the Part of the House.

OLIN D. JOHNSTON,
MIKE MONRONEY,
FRANK CARLSON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7927) entitled "An act to adjust postal rates, and for other purposes," submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The committee of conference recommends that the House recede from its disagreement to the amendment of the Senate with an amendment which is a substitute for both the text of the House bill and the text provided by the Senate amendment and that the Senate agree to the same.

The text of the House bill related only to postal rates.

The Senate amendment to the House text consisted of three parts.

Part I of the Senate amendment, consisting of three titles, related to postal rate increases. Title I of part I covered postal rate increases. Title II of part I contained amendments to the postal policy provisions of the postal laws. Title III of part I contained certain miscellaneous amendments to the postal laws.

Part II of the Senate amendment, consisting of six titles, related to Federal salary reform. Title I of part II contained a statement of policy with respect to Federal salary reform. Title II of part II contained provisions revising the pay system of the Classification Act of 1949, as amended. Title III of part II revised the compensation schedules of title 39, United States Code, and contained certain related provisions, with respect to postal field service employees. Title IV of part II of the Senate amendment contained salary increases for physicians, dentists, and nurses, and other personnel of the Department of Medicine and Surgery of the Veterans' Administration. Title V of part II revised the salary rates for personnel in the Foreign Service under the Department of State prescribed by the Foreign Service Act of 1946, as amended. Title VI of part II contains certain miscellaneous salary provisions which, in effect, revise the compensation rates for the following groups of employees: (1) certain scientific and professional employees; (2) agricultural stabilization and conservation county committee employees; (3) assistant U.S. attorneys; (4) employees in the judicial branch; (5) employees in the legislative branch.

Part III of the Senate amendment contained provisions making adjustments in annuities under the Civil Service Retirement Act, as amended.

The conference substitute, with the exceptions to be noted, is in general the same as the Senate amendment. Except for technical and minor drafting changes, the differences between the text of the House bill and the conference substitute are discussed below.

SUMMARY OF MAJOR PROVISIONS OF CONFERENCE SUBSTITUTE

Increased postal revenue

Postal revenue wil be increased by $600.3 million per annum when all of the postal rate adjustments provided by part I of the conference substitute are placed in effect. Such increased revenue and the public service policy provisions of the conference substitute will—when adjustment in rates and conditions of mailability of fourth-class mail for which the Postmaster General has petitioned the Interstate Commerce Commission (as required by law) shall be approved—eliminate the postal deficit.

Such increased postal revenue provided by part I of the conference substitute is approximately $20 million less than the aggregate annual increased postal revenue of $620 million which would have been provided by the postal rate adjustment bill recommended to the House of Representatives by the Postmaster General and presented for consideration by the chairman of the House Committee on Post Office and Civil Service on January 23, 1962.

A table comparing present and proposed postal rates follows:

Comparison of present and proposed postal rates (new revenues based on 1963 volume)

[New revenues based on 1963 volume]

Mail class	Postage rate unit	Present rate	First year (1963)		Second year (1964)		Third year (1965)	
			Rate	New revenues	Rate	New revenues	Rate	New revenues
First class:				*Millions*		*Millions*		*Millions*
Letters	Per ounce	4 cents	5 cents	$409.6	5 cents	$409.6	5 cents	$409.6
Drop letters	do	3 cents	4 cents	1.8	4 cents	1.8	4 cents	1.8
Cards	Per card	3 cents	4 cents	26.4	4 cents	26.4	4 cents	26.4
Total				437.8		437.8		437.8
Airmail:								
Letters	Per ounce	7 cents	8 cents	16.0	8 cents	16.0	8 cents	16.0
Cards	Per card	5 cents	6 cents	.3	6 cents	.3	6 cents	.3
Parcel post	Per pound	By zones [1]	(1) (2)	4.9	(1) (2)	4.9	(1) (2)	4.9
Total				21.2		21.2		21.2
Second class:								
In-county:								
Free mail	Per pound	Free	1 cent (lb.)	.9	1 cent (lb.)	.9	1¼ cents (lb.)	1.5
Pound-rate matter	do	1 cent	⅛ cent (min.)		⅛ cent (min.)		⅛ cent (min.)	
	Minimum per copy	⅛ cent						
Per-copy-rate matter	Per copy	1 cent or 2 cents.	Present rates	.3	Present rates	.3	Present rates	.3
Outside county:								
Regular publications:					3 annual 4-percent increases			
Editorial	Per pound	2½ cents	2.6 cents (lb.)		2.7 cents (lb.)		2.8 cents (lb.)	
Advertising:					3 annual 10-percent increases (adjusted)			
Zones 1 and 2	do	3 cents	3.4 cents (lb.)	6.4	3.8 cents (lb.)	14.2	4.2 cents (lb.)	22.6
Zone 3	do	4 cents	4.4		4.8		5.2	
Zone 4	do	6 cents	6.4		6.8		7.2	
Zone 5	do	8 cents	8.4		8.8		9.2	
Zone 6	do	10 cents	10.4		10.8		11.2	
Zone 7	do	12 cents	12.0		12.0		12.0	
Zone 8	do	14 cents	14.0		14.0		14.0	
	Minimum per copy	½ cent	0.6 cent (min.) [4]		0.8 cent (min.) [4]		1 cent (min.) [4]	
Nonprofit publications	Per pound	1½ cents	1.6 cents (lb.)	.8	1.7 cents (lb.)	.6	1.8 cents (lb.)	.9
	Minimum per copy	⅛ cent	⅛ cent (min.)		⅛ cent (min.)		⅛ cent (min.)	
Classroom publications:								
Editorial	Per pound	1½ cents	60 percent of regular rates					
Advertising:								
Zones 1 and 2	do	1½ cents		.3		.6		1.0
Zone 3	do	2 cents						
Zone 4	do	3 cents						
Zone 5	do	4 cents						
Zone 6	do	5 cents						
Zone 7	do	6 cents						
Zone 8	do	7 cents						
	Minimum per copy	⅛ cent						
Transient rate	First 2 ounces	2 cents	4 cents	1.1	4 cents	1.1	4 cents	1.1
	Each additional ounce	1 cent	1 cent		1 cent		1 cent	
Fees:								
Original entry—circulation under 2,000		$25	$30	.03	$30	.03	$30	.03
Original entry—circulation 2,000–5,000		$50	$60		$60		$60	
Original entry—circulation over 5,000		$100	$120		$120		$120	
Reentry		$10	$10		$10		$10	
Additional entry		$10	$15 (zones 3–8, $50)		$15 (zones 3–8, $50)		$50 (zones 3–8, $50)	
News agent registry		$20	$25		$25		$25	
Total				9.3		17.7		27.4
Controlled circulation	Per pound	12 cents	12½ cents	.3	13 cents	.6	13½ cents	1.0
	Minimum per piece	1 cent	1 cent		1 cent		1 cent	
Total				.3		.6		1.0
Third class:								
Single piece	1st 2 ounces	3 cents	4 cents	34.5	4 cents	34.5	4 cents	34.5
	Each additional ounce	1½ cents	2 cents	10.3	2 cents	10.3	2 cents	10.3
Bulk rate:								
Regular:								
Circulars, etc	Per pound	16 cents	18 cents	3.1	18 cents	3.1	18 cents	3.1
	Minimum per piece	2½ cents	2⅝ cents	13.2	2⅝ cents	26.3	2⅞ cents	39.5
Books, catalogs, etc	Per pound	10 cents	12 cents	3.9	12 cents	3.9	12 cents	3.9
	Minimum per piece	2½ cents	2⅝ cents	.5	2⅝ cents	1.0	2⅞ cents	1.5
Nonprofit:								
Circulars, etc	Per pound	16 cents	9 cents	−1.7	9 cents	−1.7	9 cents	−1.7
	Minimum per piece	1¼ cents	1¼ cents		1¼ cents		1¼ cents	
Books, catalogs, etc	Per pound	10 cents	6 cents		6 cents		6 cents	
	Minimum per piece	1¼ cents	1¼ cents		1¼ cents		1¼ cents	
Bulk mailing fee	Calendar year	$20	$30	2.6	$30	2.6	$30	2.6
Total				66.4		80.0		93.7
Fourth class:								
Educational materials	1st pound	9 cents	9½ cents	.5	10 cents	1.0	10 cents	1.0
	Each additional pound	5 cents	5 cents		5 cents		5 cents	
Library materials	1st pound	4 cents	Present rates		Present rates		Present rates	
	Each additional pound	1 cent						
Total				.5		1.0		1.0
Keys, etc	Each 2 ounces	5 cents	6 cents	.1	6 cents	.1	6 cents	.1
Federal Government mail	Applicable class rates			20.5		21.0		21.0
Permit fees for mailing without stamps		$10	$15	.2	$15	.2	$15	.2
Mail mix adjustment				−3.0		−3.0		−3.0
Total new postal revenues, all classes				553.2		576.5		600.3
Estimated public service allowances				[3] 375.0		[3] 374.0		[3] 373.0

[1] Air parcel post law requires payment of not less than 1st-class rates for 1st class sent by air.

[2] Present parcel post schedule plus 8 cents per piece. First-class matter above 8 ounces, 64 cents for first 8 ounces plus 5 cents for each additional ounce or the published parcel post rate if higher.

[3] Consists of total loss on free and reduced rate mail, additional public service on in-county mail, and the amount deemed attributable to third- and fourth-class post offices and rural and star routes.

[4] When number of copies mailed for delivery outside the county is fewer than 5,000, the minimum per copy is ½ cent.

On magazines containing less than 5 percent advertising the minimum charge per copy is 0.55 of a cent during 1963, 0.65 of a cent during 1964, and 0.75 of a cent thereafter.

Salary increases

Part II of the conference substitute places in effect major provisions of the Federal statutory salary reform proposal submitted to the Congress by the President earlier in the current session. The essential requirements of comparability of Federal and private enterprise salary rates, internal alinement of Federal salary schedules, and annual review and adjustment of salaries recommended by the President are provided by part II of the conference substitute. The chief differences between such part of the conference substitute and the President's recommendations are (1) salary adjustments under the conference substitute are in two phases, spaced 15 months apart, instead of three annual phases as recommended by the President, and (2) the three highest grades of the Classification Act of 1949 and the three highest levels of the postal field service schedule receive only one upward adjustment, leaving the final determination of the appropriate salaries for such grades and levels for consideration in the next Congress.

The conference substitute also provides comparable salary adjustments for employees in the judicial branch, agricultural stabilization and conservation county committee employees, congressional employees, and employees whose rates of compensation are fixed by administrative action. This is in conformity with the policy adopted by the Congress in all recent salary increase legislation.

The conference substitute provides salary increases which, when all are in effect, will average 11.2 percent for postal field service employees and 9.6 percent for classified employees and certain others.

Cost of salary increases

The annual cost of the salary reform provisions of the conference substitute will be $1.049 billion beginning with the calendar year 1964, when the salary adjustments provided for therein become fully effective. The salary reform legislation recommended by the President would have cost $1.054 billion a year beginning in the calendar year 1965. The annual cost of Federal civilian salary reform provisions contained in H.R. 9531, as reported favorably by the House Committee on Post Office and Civil Service but not acted upon by the House, would have been $1.469 billion beginning with the calendar year 1964—a difference of $420 million savings under the conference substitute.

Civil service retirement annuities

Part III of the conference substitute—

1. Provides a 5-percent increase, effective January 1, 1963, in all annuities then payable from the civil service retirement fund which commenced on or before that date.

2. Applies the increase on a graduated reduction basis to all annuities which commence in the 4-year period following January 1, 1963, in keeping with the practice followed in the last previous enactment of this kind.

3. Provides that the proper proportion of the increase granted an annuitant will accrue to his survivors.

4. Excludes from the increase annuity amounts purchased by voluntary contributions.

5. Removes the ceilings on increases imposed by certain previous enactments.

6. Provides the future adjustments in the event the calendar year average of the monthly Consumer Price Index of the Bureau of Labor Statistics increases not less than 3 percent.

7. Raises from $2,400 to $3,600 the portion of annuity to which the reduction of 2½ percent applies when electing survivorship benefits.

8. Increases the ratio of survivorship benefits from 50 to 55 percent.

9. Reverses present procedure by providing that in the future survivorship benefits will be automatic unless an adverse election is made.

10. Extends the right of membership benefits for children to the end of any school year in which a child attains the age of 21 years so long as the child pursues full-time studies in a school, college, university, or comparable recognized educational institution. This change is in keeping with provisions of veterans' benefit laws.

DIFFERENCES BETWEEN THE TEXT OF THE HOUSE BILL AND THE CONFERENCE SUBSTITUTE

Part I.—Postal service

Title I.—Postal Rates

Both the House bill and part I of the conference substitute provide increases in postal rates and certain changes in the public service features of postal policy under chapter 27 of title 39, United States Code.

First-class mail: Section 3 of the House bill and section 101 of the conference substitute both provide for increases in the rate on first-class letter mail from 4 to 5 cents for each ounce or fraction of an ounce, in the rate on drop letters from 3 to 4 cents for each ounce or fraction of an ounce, and in the rate on each post card and each postal card from 3 to 4 cents.

Airmail: The amendments made by section 4 of the House bill increase the postage rates on airmail letters from 7 cents to 8 cents for each ounce or fraction thereof and on airmail postal and post cards from 5 cents to 6 cents. The existing requirement of minimum first-class ounce rates for air parcel post first-class matter is retained, but the existing minimum rate of 3 cents an ounce on such matter is eliminated.

Section 102 of the conference substitute increases the postage rate on airmail letters from 7 to 8 cents for each ounce or fraction thereof, and on airmail postal and post cards from 5 to 6 cents.

In keeping with the increase of 8 cents on airmail weighing 8 ounces, the first pound rate for air parcel post (other than first-class matter) is increased 8 cents. Air parcel post rates for first-class matter will be the regular 8-cents-an-ounce rate for each of the first 8 ounces, and the regular first-class letter rate of 5 cents an ounce for each ounce or fraction thereof over 8 ounces, but in no case less than the air parcel post rate for other matter.

SECOND-CLASS MAIL WITHIN COUNTY OF PUBLICATION

Section 5 of the House bill removes the requirement, in connection with free-in-county mail, that publications must be printed in the county in which published.

Section 103 of the conference substitute eliminates free-in-county mailings and extends to all such within-county mailings for calendar years 1963 and 1964 the existing 1 cent per pound and one-eighth cent minimum charge now applicable to certain categories of within-county mailings. At the start of calendar year 1965, the pound rate would be increased to 1 and one-fourth cents. The minimum charge per piece would remain at one-eighth cent. Existing per-copy rates applicable to publications issued less frequently or more frequently than once a week when mailed for delivery by letter carrier at the office of mailing are left unchanged.

SECOND-CLASS MAIL BEYOND COUNTY OF PUBLICATION

Section 6 of the House bill imposes a piece rate charge of one-half cent effective July 1, 1962, and a piece rate charge of 1 cent effective July 1, 1963, to be paid in addition to existing pound rates.

Section 104(a) of the conference substitute increases second-class pound rates and the minimum charge per piece of publications for delivery outside the county of publication except that the current minimum charge of one-half cent per copy is not changed in the case of publications mailing less than 5,000 copies per issue outside the county of publication. The increase in pound rates on the nonadvertising portion is in three annual increments of 4 percent each year. The increase in pound rates on the advertising portion is in three annual increments of 0.4 cent each. The schedule provides increases after 3 years of 40 percent in zones 1 and 2; 30 percent in zone 3; 20 percent in zone 4; 15 percent in zone 5; and 12 percent in zone 6. The existing rates of 12 cents and 14 cents in zones 7 and 8, respectively, are not changed.

Any issue of a publication the advertising portion of which does not exceed 5 per centum of the entire issue will pay .55 of a cent per piece when mailed after January 6, 1963, and prior to January 1, 1964, .65 of a cent per piece when mailed during calendar year 1964, and .75 of a cent per piece when mailed after December 31, 1964.

Subsection (a) except as noted above also increases the minimum charge on the above publications in annual increments over a 3-year period from one-half cent to six-tenths of a cent, eight-tenths of a cent, and 1 cent respectively.

Subsection (a) also fixes the postage rate on classroom publications at 60 percent of the regular rate. The rate applicable to the total content of publications of qualified nonprofit organizations (advertising and nonadvertising portions alike) is maintained at 1 cent per pound less than the pound rate applicable to the nonadvertising portion of regular publications. This produces a rate for these publications of less than 50 percent of the pound rates described above and the minimum per piece rate is retained at the present one-eighth cent.

Subsection (b) of section 104 extends the nonprofit rate to publications of official State highway agencies which meet all requirements for second-class entry and which contain no advertising. However, only one such publication in any State could be mailed at this rate. Also, the nonprofit rate is extended to associations of rural electric cooperatives.

Subsection (c) repeals existing law to the extent necessary to give effect to the changes in rates discussed above.

Second-class transient mail:

Section 105 of the conference substitute increases the postage rate on the first 2 ounces of transient mail from 2 to 4 cents.

The House bill has no comparable provision relating to transient mail.

Controlled circulation publications:

Section 8 of the House bill increases the rate to be paid by controlled circulation publications from 12 cents a pound to 14 cents a pound.

Section 106 of the conference substitute increases the pound rate on controlled circulation publications from 12 to 12½ cents the first year, to 13 cents the second year, and to 13½ cents thereafter.

Third-class mail:

Section 9 of the House bill provides increases in rates for third-class mail as follows:

(1) The piece rate on single mailings is increased from 3 cents on the first 2 ounces or fraction thereof to 4 cents.

(2) The pound rate on all matter mailed in bulk (except books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants) is increased from 16 to 21 cents. The pound rate on books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants is increased from 10 to 18 cents except in the case of mailings by qualified nonprofit organizations which remains at 10 cents. The minimum rate per piece

for other than qualified nonprofit organizations is increased from 2½ cents to 3½ cents.

(3) The minimum rate on pieces of odd size is increased from 3½ cents to 4½ cents.

Section 107 of the conference substitute provides increases as follows in rates for third-class mail:

(1) The piece rate on single mailings is increased from 3 cents on the first 2 ounces or fraction thereof and 1½ cents on each additional ounce or fraction thereof to 4 and 2 cents, respectively.

(2) The pound rate on all matter mailed in bulk (except books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions and plants) is increased from 16 to 18 cents. The pound rate on books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions and plants is increased from 10 to 12 cents. The minimum rate per piece in either instance is increased in three annual increments—first to 5⅝ cents, a year later to 2¾ cents, and a year following that to 2⅞ cents.

Section 107 continues in effect the present minimum per piece charges on bulk third-class mailings by qualified nonprofit organizations and provides that the pound rates for such mailings shall be 50 percent of the regular pound rates for bulk third-class mailings as embodied in the conference agreement.

In addition to the foregoing, this section raises the fee for a third-class bulk mailing permit from $20 to $30 and increases the minimum weight requirement from 20 to 50 pounds. This should have been adjusted in 1958 when the weight for third-class mail was increased from 8 to 16 ounces. One of the requirements for the bulk third-class pound rates is that such mail be in quantities of 20 pounds or of not less than 200 pieces. When the weight limit was 8 ounces a minimum of 40 such pieces was necessary, but when the weight limit was raised to 16 ounces only 20 such pieces was necessary to comply with the minimum weight limit. This is entirely too small a number of pieces to justify the bulk pound rate. Thus, in the future, to obtain the bulk third-class rate, it will be necessary to mail a minimum of 50 pounds or 200 pieces.

Fourth-class mail:

Section 108 of the conference substitute restores to the States of Alaska and Hawaii the benefits of certain provisions relating to the maximum size and weight of fourth-class parcels mailed at or for delivery at first-class post offices which they enjoyed prior to their admission as States. Under these provisions, such parcels could be as large as 100 inches in length and girth combined and could weigh as much as 70 pounds. These are the maximums which are already applicable generally to parcels mailed at or for delivery at second-, third-, and fourth-class post offices or rural and star routes, and to parcels mailed at or for delivery at Army, Air Force, or Fleet Post Offices. The conditions which led to the original extension of these maximums to Alaska and Hawaii while in territorial status have not been altered by statehood and those maximums should be restored.

Section 109.—This section provides an increase in fourth-class postage rates on books, films, and similar educational materials from 9 cents for the first pound to 9½ cents during the first year and to 10 cents thereafter. The existing rate of 5 cents on each additional percent will continue wtihout change.

The postage rates on fourth-class library materials would remain at 4 cents on the first pound and 1 cent for each additional pound.

The House bill contains no provisions similar to sections 108 or 109 of the conference substitute.

Fees for second-class entry and registration:

The House bill made no change in fees for second-class mail.

Section 110 of the conference substitute provides increases as follows in second-class mailing fees:

	Existing fee	Proposed fee
Circulation:		
Not over 2,000	$25	$30
2,000 to 5,000	50	60
Over 5,000	100	120
Reentry	10	15
Additional entry	10	[1] 15 / [2] 50
News agent	20	25

[1] Zones 1 and 2.
[2] Zones 3 to 8.

Permit fees for mailing without stamps:

Section 111 of the conference substitute increases from $10 to $15 the permit fee for mailing without stamps.

The House bill contains no provisions on this matter.

Fixing of fees by Postmaster General:

Section 112 of the conference substitute gives the Postmaster General the authority to adjust second-class entry and registration fees and permit fees for mailing with printed postage indicia in the future.

The House bill contains no provisions on this matter.

Keys and other small articles: Section 113 of the conference substitute increases from 5 cents for each 2 ounces to 6 cents for each 2 ounces the postage rate on keys and other small articles mailed without the prepayment of postage. The House bill contains no such provisions.

Method of determining gross receipts:

Section 11 of the House bill and section 114 of the conference substitute both provide that increased revenues derived from the rate increases shall be excluded in determining compensation and allowances of postmasters and other employees and classes of post offices.

This is similar to the provision contained in the 1958 Postal Increase Act.

Qualifications of postmasters:

Section 115 of the conference substitute requires the Civil Service Commission, in evaluating the qualifications of applicants for positions of postmaster, to give appropriate consideration to experience in the postal field service.

The House bill contains no provisions on this matter.

Title II—Postal Policy

Section 2 of the House bill revises and strengthens the statement of congressional policy with respect to postal rates and fees originally enacted as the Postal Policy Act of 1958 and now contained in chapter 27 of title 39, United States Code.

Subsection (a) clarifies and strengthens the language of such policy with respect to the determination of postal expenses attributable to the performance of public service by the Postal Establishment.

Subsection (b) makes several important changes in the existing provisions of law with respect to identification of public services rendered by the Postal Establishment and the determination of the costs of such public services which shall be excluded from postal expenses for purposes of fixing postal rates and fees.

The first such change (sec. 2(b) (1) and (2)) provides that "the estimated calculated loss" from operation of third- and fourth-class post offices, star routes, and rural routes shall be held and considered to be an item of public service rendered by the Postal Establishment. Under present law, the "loss" on star routes and third- and fourth-class post offices is designated as an item of public service.

The second such change (sec. 2(b)(3)) supplies a needed clear definition of the terms "loss" and "total loss" as applied to revenues and expenses of the public service items specified in the law—a definition which was not included in the Postal Policy Act of 1958. This definitive language, coupled with the remaining provisions of section 2 of the bill, will provide standards and guidelines which are necessary for the Postmaster General to determine the amount of public service charges to be excluded from postal expenses each year for purposes of considering the need for adjustments in postal rates and fees.

The amendment made by section 2(c) requires the Postmaster General, on or before February 1 of each year beginning with the year 1962, to report to the Congress the amount by which costs of the public service items set forth in the postal policy provisions exceed revenues from such public service items and specifies, further, that the amount so determined and reported shall be excluded from the total cost of postal operations for purposes of adjustment of postal rates and fees. The last sentence of the amendment requires that the amount so determined and reported (and thus excluded from total operating costs for rate and fee purposes) shall be not less than 7½ percent of the total current budget of the Post Office Department.

The amendment made by section 2(d) is a technical amendment which conforms the table of contents of the appropriate chapter of title 39, United States Code, with the amendments made by the remainder of section 2 of the bill.

Section 201 of the conference substitute makes changes necessary to clarify and strengthen the statement of congressional policy with respect to postal rates and fees contained in chapter 27 of title 39, United States Code. Further, certain technical changes are made necessary by the elimination of free-in-county mailing under section 104. This section resolves a problem of long standing by providing a formula for use in determining the amount that shall be considered public service costs in the operation of star and rural routes and third- and fourth-class post offices. The conference substitute provides that 10 percent of the gross cost of the operation of third-class post offices and the star route system, and 20 percent of the gross cost of the operation of fourth-class post offices and rural routes shall be attributable to public service.

Title III—Miscellaneous

Eligibility of certain organizations for second-class entry:

Section 301 of the conference substitute adds publications of State industrial development agencies and public or nonprofit elementary and secondary schools to the list of those entitled to second-class entry without the necessity of having a bona fide list of regular subscribers.

The House bill contains no provisions on this matter.

Educational materials:

Section 10 of the House bill makes certain technical changes in the preferential educational and library material rate listings to reflect the substantive changes made by Public Law 86-644, approved July 14, 1960. The subsection also supplies corrective language to clarify the purpose and intent of that part of section 4554(c) of title 39, United States Code, which extends the preferential library materials rates to scientific or mathematical kits, instruments, and devices, and catalogs and guides or scripts relating to their use. The existing preferential rates of 9 cents a pound for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof

on educational materials and 4 cents a pound for the first pound or fraction thereof and 1 cent a pound for each additional pound or fraction thereof on library materials are retained.

Section 302 of the conference substitute provides corrective language to clarify the purpose and intent of that part of section 4554(c) of title 39 relating to the inclusion of guides, scripts, and catalogs with scientific or mathematical kits, instruments, or devices and sound recordings.

The conference substitute adds looseleaf pages, and binders therefor, consisting of medical information for distribution to doctors, hospitals, medical schools, and medical students to the educational materials category.

Reading matter and other materials for blind persons:

Section 303 of the conference substitute revises sections 4653 and 4654 of title 39, United States Code, which relate to the mailing of reading and other materials for the use of blind persons. The changes made in these sections are designed to accomplish the following:

(1) Existing law permits the free mailing to blind persons of books with raised type and recordings. This section would add books printed in sightsaving size type to this category. It would also make clear that the term "recordings" includes sound tapes.

(2) Under present law public libraries and public institutions for the blind may mail free of postage books being loaned to blind persons. This section extends this privilege to any nonprofit organizations which lends books to the blind.

(3) Extends the same free mailing treatment to reading materials mailed to nonprofit organizations for the use of blind persons as when sent directly to the blind persons.

(4) Existing law permits magazines furnished to blind persons at cost to be mailed at the rate of 1 cent a pound. This section extends that rate to other reading materials furnished to blind persons at cost. It also makes it applicable where the materials are sent to nonprofit organizations for the use of blind persons.

(5) Under present law sound reproduction devices owned by the United States which have been loaned to blind persons may be returned by those persons for repair at a postage rate of 1 cent a pound. The Postmaster General has authority to extend this rate to reproducers owned by States, public libraries, nonprofit agencies, and blind persons themselves. This section would eliminate the 1-cent-a-pound charge and permit free mailing of these devices. It also authorizes the Postmaster General, in his discretion, to extend free mailing privilege to the sending by State agencies, public libraries, private nonprofit agencies for the blind, and blind persons themselves, of paper, records, tapes, and other materials owned by them for use by the recipients for the production of reading matter in raised characters or sight saving size type, or in the form of recordings, for the use of blind persons. The House bill has no similar provision.

Repeals and technical amendments:

Section 9(c) of the House bill and section 304 of the conference substitute repeal section 3 of the act of October 30, 1956 (Public Law 86-56). Also, paragraph (3) of the conference substitute repeals the following substantive provisions of law:

(1) Section 4361 of title 39, which authorizes publishers to mail proofs of advertisements at second-class zone rates applicable to advertising portions.

(2) Section 4652 of title 39, which permits public mailing of the CONGRESSIONAL RECORD from the District of Columbia at the rate of 1 cent per copy.

Communist political propaganda:

Section 12 of the House-passed bill contains a provision which would amend section 505 of title 39, United States Code (international postal arrangements) for the purpose of excluding Communist political propaganda from the U.S. mails.

This section in the House bill also contains provisions designed to accomplish this purpose with respect to mail originating within the United States as well as mail originating outside the United States. Under these provisions mail matter determined by the Attorney General to be Communist political propaganda which is financed or sponsored by a Communist-controlled government is nonmailable within the United States, except as fourth-class mail.

During extensive hearings on section 12 of H.R. 7927, widely divergent views were expressed as to the need for such a provision and the form any such provision should take. Following extended deliberations in executive session, the committee has agreed upon what it considers to be an appropriate substitute which meets many of the objections expressed during the hearings, and which is designed to provide a workable solution to the problem of Communist political propaganda arriving for distribution in the United States.

Section 305 of the conference substitute consist of a modification of S. 2740, introduced by Senator BUSH on January 25, 1962, which would have had the effect of reinstating the program of screening Communist political propaganda substantially as that program was conducted prior to March 17, 1961.

Section 305 of the conference substitute provides for a program under which, with certain exceptions, Communist political propaganda coming into the United States from foreign countries would be intercepted and would be delivered only upon the request of the addressee within a reasonable time, which shall not exceed 60 days.

Section 305 specifically provides that mail matter, except sealed letters, originating in a foreign country and which is determined by the Secretary of the Treasury to be Communist political propaganda, shall be detained by the Postmaster General upon its arrival for delivery in the United States, or upon its subsequent deposit in the U.S. domestic mails, and the addressee shall be notified that such matter has been received. Such detention would not be required in the case of any matter which is otherwise ascertained by the Postmaster General to be desired by the addressee.

Exempted would be matter addressed to Government agencies, to libraries, or to colleges, universities, graduate schools, scientific or professional institutions for advanced studies, or any individual connected therewith. Likewise, material addressed for delivery in the United States pursuant to a reciprocal international agreement under which the U.S. Government mails an equal amount of material for delivery in a Communist country, would be exempted.

In order to furnish guidelines to the Secretary of the Treasury as to what constitutes Communist political propaganda, the entire definition of political propaganda contained in the Foreign Agents Registration Act of 1948 is incorporated by reference and related to matter issued by or on behalf of any country from which tariff concessions have been withdrawn under section 5 of the Trade Agreement Extension Act of 1951 or section 231 of the Trade Expansion Act of 1962, or which is denied assistance under section 620(f) of the Foreign Assistance Act of 1961, as amended.

Effective date: Section 13 of the House bill provides an effective date of July 1, 1962. Section 306 of the conference substitute provides that, except as otherwise provided, the provisions of Part I—Postal Service shall become effective January 7, 1963.

Obscene matter distributed by mail:

The House bill has no provisions on this subject.

Section 307 of the conference substitute authorizes the Postmaster General to detain and dispose of mail containing obscene, lewd, lascivious, or indecent matter.

PART II—FEDERAL SALARY REFORM

Part II of the conference substitute relates to Federal salary reform.

Title I—General Policy

Title I of part II contains a statement of Federal salary policy.

Section 501 provides that part II may be cited as the "Federal Salary Reform Act of 1962."

Section 502 sets forth the policy of the Congress that pay of Federal civilian personnel shall be established upon the principles of equal pay for substantially equal work with pay distinctions maintained in keeping with work and performance distinctions; and that Federal salaries shall be comparable with salaries in private enterprise for the same levels of work.

Section 503, pertaining to the implementation of the above policy, provides that the President shall have prepared and submitted to him an annual report comparing salary rates paid to Federal employees with rates paid for the same levels of work in private industry as determined through annual surveys of the Bureau of Labor Statistics of the Department of Labor. After seeking the views of employee organizations the President shall make an annual report to the Congress containing the comparison of Federal and private enterprise salary rates and such recommendations for revision of statutory salary schedules, salary structure, and compensation policy as he deems advisable.

In further implementation of the stated salary policy, section 504 provides that whenever the President or his designee finds that the salary rates in private enterprise for an occupation in any particular location are so substantially above the salary rates of Federal statutory pay schedules as to handicap significantly the Government in recruiting and retaining well-qualified persons in positions under the pay systems of the executive branch covered by the conference substitute, the President, or his designee, may establish for such location higher minimum rates of basic compensation. Corresponding increases may be made in all step rates in the salary range for the applicable grade or level; however, the minimum salary rate established under this authority may not exceed the seventh compensation rate prescribed by law for the grade or level involved. The President may authorize the exercise of the authority conferred upon him by this section by the Civil Service Commission or, in the case of employees not subject to the civil service laws and regulations, by such other agency as he may designate.

Section 504 also provides that such rates may be revised from time to time and that such actions or revisions shall have the force and effect of law.

Section 504 further provides that any increase in basic compensation established under this section shall not be regarded as an "equivalent increase" in compensation within the meaning of section 701(a) of the Classification Act of 1949, or section 3552 of title 39, United States Code.

Policies, rules, and regulations of the President: Section 505 further implements the salary policy by authorizing the President to prescribe policies, rules, and standards in order to carry out the policy and purpose of the conference substitute with respect to the several Federal salary systems covered by the conference substitute and in order to provide

adequate supervision and control by the President over the functions, duties, and regulations of the respective authorities in the executive branch in connection with the administration and operation of the four major salary systems and the provisions of this title.

Title II—Pay System of the Classification Act of 1949

Title II of part II of the conference substitute pertains to the pay system of the Classification Act of 1949, as amended.

Section 601 provides that title II may be cited as the "Classification Act Amendments of 1962."

Section 602 contains the compensation schedules for the General Schedule of the Classification Act of 1949, as amended, and the salary conversion rules for the two phases of the salary adjustment plan which would become effective on the first day of the first pay period which begins on or after the date of enactment (first phase) and on January 1, 1964 (second phase).

Section 602(a) prescribes the compensation schedules. The schedule contains 10 regular steps in lieu of 7 scheduled and 3 longevity rates currently provided for GS–1 through GS–10; 9 rates for GS–11 through GS–14 in lieu of 6 scheduled and 3 longevity rates; 8 rates for GS–15 in lieu of 5 scheduled and 3 longevities; and 5 rates for GS–16 and GS–17 in lieu of the 5 rates currently provided by the Classification Act. Grade GS–18 continues to have a single rate. Because the number of regular step rates is increased, the current provisions for longevity step increases in title VII of the Classification Act of 1949 are no longer needed and are repealed in subsequent sections of the conference substitute.

Section 602(b) specifies the rules adjusting existing pay rates to the rates of the new schedules. Employees generally are to retain the same relative place within the new grade range as they had within their former grade range.

Paragraph (10) of section 602(b) provides that service immediately preceding the effective date shall be counted toward not to exceed one step increase under the time in grade provisions of section 701(a) of the Classification Act of 1949, as amended by the conference substitute.

Paragraph (11) of section 602(b) applies to each officer or employee who is receiving immediately prior to the effective date of section 602, pursuant to paragraph (4) of section 2(b) of the Federal Employees Salary Increase Act of 1955, an existing aggregate rate of compensation, determined under section 208(b) of the act of September 1, 1954 (68 Stat. 1111; Public Law 763, 83d Cong.), plus the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, by section 2 of the Federal Employees Salary Increase Act of 1958, and by section 112 of the Federal Employees Salary Increase Act of 1960. Such officer or employee will receive an aggregate rate of compensation equal to the sum of (1) his existing aggregate rate of compensation determined under the savings provisions of section 208(b) of the act of September 1, 1954, referred to above, and (2) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, and (3) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1958, and (4) the amount of the increase provided by section 112 of the Federal Employees Salary Increase Act of 1960, and (5) the amount of the increase made by section 602 under compensation schedule I in the maximum rate of his grade. This rate will remain in effect for such officer or employee until he leaves his position or until he is entitled to receive aggregate compensation at a higher rate by reason of the operation of the amendment or any other law. However, when the position becomes vacant, the aggregate rate of compensation of any later appointee thereto will be fixed in accordance with applicable provisions of law. Paragraph (11) of section 602(b) also contains a provision to the effect that, subject to the possibility that any such officer or employee may leave his position or may become entitled to aggregate compensation at a higher rate, the amount of the increase provided by section 602 is to be held and considered, for the savings purposes of section 208(b) of the act of September 1, 1954, to constitute a part of the existing aggregate rate of compensation of the officer or employee.

Step increases:

Section 603 amends title VII, "Step Increases" of the Classification Act of 1949. Title VII currently provides two types of step increases: (1) Periodic step increases under section 701, and (2) longevity step increases beyond the scheduled maximum rate of the grade under section 703. As amended by the conference substitute, title VII provides for (1) periodic step increases, and (2) additional step increases to be granted in recognition of high quality performance.

Section 701 now provides periodic step increases, for employees below the maximum rate of the grade, for each 52 calendar weeks of service if the amount of the step increase is less than $200, or 78 weeks of service if the employee's position is in a grade in which the step increase is $200 or more. As amended, section 701(a) provides for periodic increases at all grades following the completion of (1) 52 calendar weeks of service in salary rates 1, 2, and 3, (2) 104 calendar weeks of service in salary rates 4, 5, and 6, and (3) each 156 calendar weeks of service in salary rates 7, 8, and 9.

Paragraphs (A) and (C) of section 701(a) which relate to eligibility for step increases are in existing law. Paragraph (B) requires, as a prerequisite to within-grade advancement, that the employee's work is of an acceptable level of competence in contrast with the present wording that the employee has a current performance rating of "satisfactory" or better.

Subsection (b) of the revised section 701 is present law.

The new section 702 of the Classification Act of 1949 in the conference substitute authorizes, in subsection (a), additional step increases in recognition of high quality performance above that ordinarily found in the type of position concerned. Such additional step increases could be made in accordance with regulations prescribed by the Civil Service Commission and, under subsection (b), would be limited to not more than one within any period of 52 weeks.

Current provisions of sections 703 and 704 of the Classification Act of 1949, relating to longevity step increases, are no longer needed since these steps have been included in the regular rate range for the respective grades. The provisions are therefore repealed. Section 703 of the amended title VII which is already in existing law (as sec. 705) provides that title VII shall not apply to persons appointed by the President, by and with the advice and consent of the Senate. Title VII currently does not have a section 702.

General compensation rules:

Section 604(a) revises section 802(b) of the Classification Act of 1949 to provide that when an employee is promoted to a position in a higher grade he shall receive basic compensation at the lowest rate of the higher grade which exceeds his existing rate by not less than two step increases of the grade from which promoted. This subsection also specifices the action to be taken if there is no rate in the higher grade two step increases above the employee's existing rate, or if he is receiving a rate saved under section 507 of the Classification Act of 1949 on reduction in grade. Existing law provides only a one-step increase upon promotion or transfer to a higher grade. A similar proposal is included in H.R. 1010 which passed the House of Representatives on August 22, 1961.

Section 604(b) adds a new subsection (d) to section 802 of the Classification Act of 1949. There is no present authority for saving the basic compensation of an employee who, together with his position, is brought under the Classification Act from some other Federal pay system (such as the wage board system), if his salary rate is in excess of the maximum rate of the classification grade in which his position is placed. The new subsection would authorize the Civil Service Commission to issue regulations to permit the retention of salary in such instances. It includes special provision applicable in case of subsequent demotion in grade.

Section 604(c) substitutes a new section 803 of the Classification Act of 1949. Because of the more comprehensive provisions in section 504 of title I, part II, of the conference substitute, the present provisions of section 803, authorizing advanced entrance rates of the grades for appointments in shortage occupations, are unnecessary and therefore are being deleted. Section 803, as amended, provides that under regulations of the Civil Service Commission, any employee under the Classification Act who regularly has responsibility for supervision, including technical supervision, over wage board employees may be paid a rate for his grade above the highest rate paid to any such prevailing rate employee.

Salary retention:

Section 605 amends section 507 of the Classification Act of 1949 which provides for the retention of salary when an employee is demoted to a lower grade. The amendment in paragraph (1) extends application of the provisions of section 507 to employees in all grades of the Classification Act of 1949 by omitting the language of existing law which excludes application of the benefits to employees in grades GS–16, GS–17, and GS–18. The amendment in paragraph (2) strikes out "B in the same grade or in the same or higher grades;" in paragraph (4) of subsection (a) of such section 507 and inserts in lieu thereof "(B) in any grade or grades higher than the grade to which demoted;". This change in language will permit salary retention not now permitted under section 507 where there may have been a series of promotions followed by a demotion or a series of demotions.

Increase in number of top grade positions under the Classification Act of 1949:

Section 606 amends section 505 of the Classification Act of 1949. Subsection (a) increases from 1,989 to 2,400 the limitation on the number of positions the Civil Service Commission, under section 505(b) of the Classification Act, may authorize to be placed in grades 16, 17, and 18 of the general schedule, and excludes from this limitation engineering research and development positions and positions in the physical sciences, natural sciences, and medicine. Subsection (b) excludes these same types of positions from the number of positions in grades 16, 17, and 18 now authorized for the Department of Defense in section 505(j) of the Classification Act.

Section 606(c) authorizes the Attorney General to place a total of 10 positions of warden in the Bureau of Prisons in grade 16 of the general schedule. This increases by four the number of such positions which may be assigned to GS–16. This subsection also authorizes the Attorney General to place a total of eight positions of member of the Board of Parole in grade 17 of the general schedule. Presently only one such position is in grade GS–17 and the other seven are in grade GS–16.

Section 607 repeals certain provisions of law authorizing (1) incumbency allocations to top Classification Act grades, and (2) certain positions to be placed in top grades of the act or to have an equivalent salary.

Section 608(a) provides that each position covered by a repeal provision in section 607 shall be placed in the appropriate grade of the general schedule of the Classification Act, in accordance with the provisions of that act.

Section 608(b) provides that positions in grades 16, 17, and 18 of the general schedule immediately prior to the effective date shall remain in such grades until appropriate action is taken under section 505 of the Classification Act.

Savings provision:

Section 609 contains the usual salary savings provisions.

EFFECTIVE DATES

Section 610 provides that except as otherwise expressly provided the provisions of title II of part II shall become effective on the first day of the first pay period which begins on or after the date of enactment.

Title III—Postal Field Service Employees

Section 701 cites this title as the "Postal Employees Salary Adjustment Act of 1962."

Employees under the Postal Field Service schedule:

Section 702 provides two postal field service schedules. Schedule I would be effective the first pay period after enactment and schedule II, the first pay period after January 1, 1964. The salary schedules for the postal field service follow the pattern established for other statutory pay systems in that they are based on the principle of industry comparability for levels of work.

The structure of the proposed schedules is generally similar to that of the Classification Act of 1949. It replaces both annual salary steps in the present PFS schedule and longevity rates which is accomplished by the addition of step increases to the PFS schedule.

Employees under the rural carrier schedule:

Section 703(a) establishes two new schedules for determining rural carrier pay, the first effective on the first pay period after enactment and the second on the first pay period after January 1, 1964. It also combines the present salary steps and longevity steps into a single 12-step schedule.

Pay rates for the RCS schedule were determined by adding the amount of increase provided for PFS–4, step 7, to the present step 7 rate for the 42-mile route, and adjusting other rates for that route to the corresponding rates for PFS–4.

Section 703(b) amends section 3543(c) of title 39, United States Code, which authorizes payment of additional compensation to rural carriers on heavily patronized routes, by eliminating the existing provision permitting such payment only if the route does not exceed 61 miles in length, as well as the provision limiting the additional compensation to an amount which when added to the basic salary for the maximum step for the route would equal the basic salary for the maximum step for a 61-mile route.

Section 703(c) amends section 3543(f) of title 39, United States Code, to increase the equipment maintenance allowance for rural carriers from 10 cents to 12 cents a mile or from $3.50 to $4.20 a day, whichever is greater.

Section 703(d) changes the method of compensating substitute rural carriers. Under the present system these carriers are paid at the rate of the carrier in whose absence they are serving. Under the new provisions, substitute carriers will be paid on the basis of their own service in the same manner as regular carriers.

Postmasters under the fourth-class office schedule:

Section 704 amends section 3544(a) of title 39, United States Code, the code to provide two new compensation schedules for postmasters in fourth-class post offices, one effective the first pay period after enactment and the other effective the first pay period after January 1, 1964.

The proposed schedules continue to relate compensation to receipts categories. The first schedule provides an increase of 10 percent above current salary rates. The second schedule adds another 5 percent or a total of 15 percent over existing rates. Subsection (b) extends to postmasters of the third- and fourth-class salary restoration rights now enjoyed by other postal employees.

Automatic advancement by step increases:

Section 705 amends 39 U.S.C. 3552, which relates to advancement of employees by step increases.

Under subsection (a), 39 U.S.C. 3552, the schedule of advancement is established. The present schedule of advancement provides for increases based on 52 weeks of service in a step until the highest step in the level is reached. In levels PFS–1 through PFS–6 this form of advancement is continued for the first six increases; the next five increases are attained after a 156-week waiting period for each. In all levels above PFS–6, under the new schedule, the employee will be advanced to steps 2, 3, and 4, on the basis of 52 weeks of service in each step, to steps 5, 6, and 7, on the basis of 104 weeks of service, and to steps 8 and above, on the basis of 156 weeks of service. The conference substitute does not continue the limitation on the advancement of substitutes assigned to road duty. It has been the practice of the Post Office Department to credit service by such a substitute in step 4, PFS–5, and, upon placement in a position not subject to the limitation, the employee would be advanced in step in the new position on the basis of such service, if otherwise proper. The removal of such limitation will permit these substitute employees who were not advanced beyond step 4 of salary level PFS–5 by reason of the limitation, to be given credit for all their service in step 4 and given the appropriate step increases at the time of conversion.

Subsection (b), 39 U.S.C. 3552, codifies and makes permanent a provision of law common to salary increase legislation affecting postal employees. In effect, it provides that statutory increases in basic compensation are not equivalent increases for purposes of determining eligibility for advancement under subsection (a).

Subsection (c), 39 U.S.C. 3552, reenacts the last sentence of 39 U.S.C. 3552 (a) as a separate subsection.

The current provisions of 39 U.S.C. 3552 (b) are, in effect, repealed by this amendment. Under present service conditons, withholding of advancement by step increases from substitutes in PFS–5 assigned to road duty cannot be justified.

Temporary employees: Section 706 amends 39 U.S.C. 3554 by deleting the phrase "under the postal field service schedule" and inserting in its place the phrase "in the postal field service." The purpose of this change is to permit the payment of compensation to temporary rural carriers serving under limited appointments in the same manner as to other postal field service employees. In effect, this change will continue the present method of compensation of these carriers.

Promotions: Section 707 amends 39 U.S.C. 3559 in its entirety. The present method of promotion guarantees to each employee a minimum increase equivalent to the difference betwen step 1 of the level from which promoted and step 1 of the level immediately above. The new provision will guarantee to each employee promoted to a higher level a minimum increase equivalent to two step increases of the level from which promoted; if the employee is promoted to a level more than two levels above the level of his position, he will receive a minimum increase equivalent to three step increases.

Rural routes: The purpose of section 708 is to remove the limitation on the present authority of the Postmaster General with respect to the establishment or extension of star routes in areas previously served by rural routes. Under present law such substitution may not be made if a qualified rural carrier can be obtained. This change will permit the Postmaster General to exercise administrative discretion in the selection of the more efficient or economical service.

Miscellaneous provisions:

The new salary plan abolishes longevity steps and provides for recognition of long service through addition of within-grade steps. Therefore, the distinction made in sections 3101(5) and 3101(6) of title 39, between basic salary and basic compensation, is no longer valid and section 709 eliminates this distinction.

Section 710 amends 39 U.S.C. 3541 to provide a method for determining the daily rate of compensation of substitute rural carriers. By using a factor of 304, the number of days of service on a rural route in a year, holiday pay is prorated throughout the year against the actual service of the substitute rural carrier. In this respect, pay treatment of these employees will be consistent with that afforded other substitute employees.

Conversion rules:

Section 711 provides the rules for the conversion of existing salaries to the new pay schedules which would become effective on the first day of the first pay period after enactment. The conversion method generally will place each employee in the numerical step which he attains immediately prior to the effective date of the new pay plan, plus an additional numerical step for each longevity step attained immediately prior to conversion.

Credit is preserved toward the next within-grade or automatic step increase earned by employees prior to conversion if they were not given an adiditional step increase by reason of longevity steps attained prior to conversion. Such credit will be applied toward fulfillment of the requirements of the new advancement schedule. No credit earned toward longevity steps will be carried over. No employee's salary will be reduced on conversion.

In addition, to provide a greater salary increase for present employees, each employee in levels PFS–1 through PFS–4 or under the rural carrier schedule will be advanced one extra step on conversion.

Section 712 provides for the conversion of employees to the schedules to become effective in January 1964 according to the numerical step attained immediately prior to the date of conversion. Where existing compensation exceeds the rate for the numerical step, the existing compensation is retained if conversion cannot be made to a scheduled step.

Section 713 amends section 3560 of title 39, United States Code, as added by section 201 of the act of September 21, 1961 (75 Stat. 569, Public Law 87–270), which provides, among other things, that employees in protected rates will be given statutory increases applicable to the salary standing from which reduced. The purpose of section 713 is to make clear that, inasmuch as the new salary plan involves basic structural changes for employees now under the PFS, RCS, and FOS schedules, this particular feature of 39 U.S.C. 3560 cannot be given application at the time of conversion to the new schedules. Salaries of employees in protected rates as of the date of conversion will be converted under sections 711 and 712 of the conference substitute, as appropriate.

Basic salary in cases of assignments of postal employees: Section 714 amends section 3335(b) of title 39, United States Code,

so as to clarify the intent of Congress with respect to the authority of the Postmaster General to authorize higher level compensation. This amendment is required to remove objections of the Comptroller General, as stated in his decision of February 1, 1962 (B–138999), to the Department's application of the present statutory provision and to validate payments that have been made.

Salary protection:

Section 715 extends existing salary protection provisions to all levels of the postal field service schedule and clarifies their application to certain situations.

Section 716 contains a new compensation rule which will permit the Postmaster General to make exceptions to the schedule of automatic advancement provided in 39 U.S.C. 3552 in recognition of exceptional competence. This provision will require implementation by regulations to be issued by the Postmaster General.

Top grade positions and Whitten amendment:

Section 717 removes PFS–17 from the controlled position group and grants the postal field service a 10-percent exemption under the Whitten amendment.

Section 718 contains two conforming changes to the table of contents of title 39, United States Code.

Repeals: Section 719 repeals those provisions of Public Law 86–568 which contained salary increases for postal field service employees, effective July 9, 1960. It also repeals 39 U.S.C. 3558, which provides for the present system of longevity compensation; the new pay schedules supersede the longevity system in its entirety.

EFFECTIVE DATES

Section 720 specifies the effective dates of the various sections in title III.

Title IV—Department of Medicine and Surgery in the Veterans' Administration

Title IV relates to physicians, dentists, and nurses in the Department of Medicine and Surgery of the Veterans' Administration who are subject to a separate pay system prescribed by chapter 73 of title 38, United Stats Code. The revisions made by this title not only take into account the Bureau of Labor Statistics findings but also reflect the results of extensive studies of the Veterans' Administration concerning the need for a modernization of the entire grade and salary structure of the Department of Medicine and Surgery to recognize the numerous organizational and functional changes which have taken place in the Department since its inception in 1946.

In recognition of the nature of their occupations and the variability of assignments in a clinical setting, the grade and salary of physicians, dentists, and nurses in the Department of Medicine and Surgery are determined on the basis of an individual's qualifications and professional attainment. Notwithstanding this fact, comparison of the qualification and skill requirements for like occupations under the Classification Act corroborate extenson to the Department of Medcine and Surgery schedules in the manner indicated in the conference substitute bill of the salary scale proposed for the Classification Act system. Appropriate differentiation in pay between recognized skill levels as well as executive and managerial levels is maintained. Internal relationships of pay between the D.M. & S. system and the Classification Act system are also continued.

Section 801 amends section 4103 of title 38 of the United States Code. It reduces the maximum number of Assistant Chief Medical Directors from eight to five and modifies the provisions pertaining to directors of service and chiefs of division. In lieu of these positions, a new position level of Medical Directors is established. The salaries of the Assistant Chief Medical Directors, the Director of Nursing Service, the Chief Pharmacist, and Chief Dietitian are appropriately adjusted in line with other increases proposed by the conference substitute. The statutory positions of the Deputy Director of Nursing Service, Chief Physical Therapist, and Chief Occupational Therapist are eliminated. The duties of the first-named position will be filled by a nurse of the Assistant Director grade. The salaries for the positions of Chief Physical Therapist and Chief Occupational Therapist will be set in the future under the Classification Act of 1949.

Section 802 amends section 4107 of title 38, United States Code. In subsection (a) of section 4107, the former schedules entitled "Medical Service" and "Dental Service" have been combined and retitled "Physician and Dentist Schedule." The existing schedules have provided identical grades and pay scales and their continued separation serves no purpose. The junior grade of the former schedules has been eliminated, and two new grades—the director grade and executive grade—have been established. The schedule now titled "Nursing Service" has been retitled "Nurse Schedule." Two new grades—the assistant director grade and chief grade—have been established, and the former grades of assistant director and senior grade have been retitled "Senior grade" and "Intermediate grade," respectively.

The amendment also provides the pay scales for the physician and dentist schedule and the nurse schedule to be effective on the first day of the first pay period after enactment and after January 1, 1964.

The amendment of section 4107 of title 38 of the United States Code specifies the intended use of the two new grades—director and executive—in the physician and dentist schedule.

Section 803, which amends section 4108 of title 38 of the United States Code, repeals the present provision providing for an allowance equal to 15 percent of the pay of persons rated as medical, surgical, or dental specialists under the provisions of that section, since the latitude which will be afforded within the pay range of each grade will permit appropriate recognition of specially qualified individuals. The current subsection (b) of 4107 of title 38, without change, has been redesignated as section 4108 for purpose of greater clarity and as a matter of drafting convenience.

Subsection (b) of section 803 is a perfecting amendment to the table of contents at the head of chapter 73 of title 38, to reflect the change in the catchline of section 4108.

Section 804 amends section 4111(b) of title 38 to provide that the per annum salary rate of a director of a hospital, domiciliary, or center who is not a physician in the medical service shall not be less than the rate of salary he would receive if such service as a director had been as a physician in the director grade. Except with respect to change in rate of salary, the subsection does not affect the allocation of any such position to any grade of the Classification Act or the application of the Performance Rating Act of 1950 to any individual.

Section 805 provides that title IV shall become effective on the first day of the first pay period after enactment except as otherwise expressly provided.

Title V—The Foreign Service Act of 1946

Section 901 provides that title V may be cited as the "Foreign Service Salary Reform Act of 1962."

Section 902 amends section 412 of the Foreign Service Act of 1946 by adjusting upward the per annum salary rates for the eight classes of Foreign Service officers. No change is made in the number of classes and, with the exception of class I, which has two salary rates, the general pattern of seven rates for each class is continued. As in other sections of this title, the schedules of per annum salary rates, provided by this section, are to be effective in two phases at the beginning of the first pay period after enactment and after January 1, 1964.

Section 903 amends section 415 of the Foreign Service Act of 1946 by revising the structure of the Foreign Service Staff salary schedule and embodying certain changes directly comparable to those made in the revision of the Classification Act of 1949.

There are at present 22 classes in the Foreign Service Staff schedule. The proposed schedule of 10 classes would eliminate the unnecessary and seldom-used classes in the current schedule. Since custodial, maintenance, and the most routine clerical functions are performed almost exclusively by alien employees at Foreign Service posts, there is little need for U.S. citizen employees at the level of duties represented by classes 14 through 22. Since classes 14 through 22 are to be abolished, it will be necessary to give the Secretary the authority contained in proposed section 415(b) in order that persons in such classes may continue to be employed at appropriate rates. The new section 415(b) would give the Department all needed flexibility in this respect, should it be desirable in unusual circumstances, to employ American personnel at lower rates for duties less difficult than those of FSS–10. Within the proposed Foreign Service Staff salary schedule, 10 salary rates are proposed for the lower 6 classes, and 9 for the upper 4. This conforms with Classification Act of 1949 salary ranges proposed at similar salary levels. Section 903 prescribes two schedules of per annum salaries for staff officers and employees to be effective the first pay period after enactment and after January 1, 1964.

Section 904 provides for the conversion of Foreign Service personnel from their present salary rates to those established by the conference substitute.

Section 905 repeals section 642(b) of the Foreign Service Act relating to longevity step increases for Foreign Service staff officers and employees and makes minor conforming changes in the heading and identification of the section in the Foreign Service Act. Since the new Foreign Service staff schedule provides 9 or 10 rates for within-class increases, this section is no longer needed.

Section 906 provides that, except as otherwise expressly provided, title V shall become effective on the first day of the first pay period after enactment.

Title VI—Miscellaneous Salary Provisions

Section 1001 increases the salary limitations for certain scientific, professional, and other positions to accord with the salary ranges of the general schedule of the Classification Act of 1949. In most cases the salary range stated in the laws which are amended has a $19,000 maximum. The amendments proposed would tie the maximum to grade 18 of the general schedule.

Subsection (a) of section 1001 revises the salary range in section 2(b) of Public Law 313, 80th Congress, as amended, from $12,500–$19,000, to a range from the minimum salary of grade GS–16 to the highest rate of grade GS–18, and authorizes eight such positions in the Library of Congress.

Subsection (b) amends section 1581(b) of title 10 of the United States Code, relating to certain scientific or professional positions in the Department of Defense, to provide a minimum rate for such positions as the minimum rate of GS–16 and a maximum rate equivalent to GS–18 pay.

Subsection (c) extends the new range to positions now paid at $12,500 to $19,000 in the National Security Agency.

Subsection (d) amends the proviso in the first sentence of section 208(g) of the Public Health Service Act, as amended, which relates to compensation rates of certain scientific, professional, and administrative per-

sonnel in the Public Health Service to provide a minimum rate of grade GS–16 and a maximum at the pay of grade GS–18.

Subsection (e) establishes a maximum rate, equivalent to the pay of grade GS–18 for five positions of technical experts in the Department of Agriculture engaged in research in foot-and-mouth and other animal diseases.

Subsection (f) amends section 203(b)(2) of the National Aeronautics and Space Act of 1958 to provide that the Administrator may fix the rates for certain excepted positions at not to exceed the pay of grade GS–18 of the Classification Act of 1949. Thirty of these positions may continue to be paid up to $21,000.

Subsection (g) amends the proviso in section 161(d) of the Atomic Energy Act of 1954, as amended, to permit the fixing of salaries of scientific and technical personnel up to a limit of the pay of grade GS–18 of the General Schedule of the Classification Act of 1949. The present limit is $19,000.

Subsection (h) substitutes the GS–18 rate in place of $19,500 as the top salary for 23 positions in the Federal Aviation Agency.

Subsection (i) authorizes use of Foreign Service salary rates for paying the U.S. representatives and alternate on the Executive Board of the World Health Organization in place of present maximum salaries of $12,000 and $10,000.

Subsection (j) sets the GS–18 rate as the maximum salary for certain positions established under the Mutual Educational and Cultural Exchange Act, not authorized to be paid up to $1,000 more than the rate of GS–18.

Subsection (k) fixes the GS–18 salary as the maximum rate for certain positions under the Foreign Assistance Act which may now be paid up to $19,000 a year.

Subsection (l) fixes the GS–18 salary rate as the top salary for certain Peace Corps positions now paying up to $19,000 a year.

Agricultural stabilization and conservation county committee employees: Section 1002 extends to agricultural stabilization and conservation county committee employees the salary increases provided by the conference substitute for corresponding Classification Act of 1949 salary levels.

Assistant U.S. attorneys: Section 1003 raises from $15,000 to $17,500 the maximum amount which can be paid to assistant U.S. attorneys and provides for an increase of 7½ percent in their existing rates of compensation.

Employees in the judicial branch: Section 1004 authorizes, for employees of the judicial branch, salary increases corresponding to those proposed in the statutory salary systems in the executive branch.

Officers and employees in the legislative branch: Section 1005(a) provides an increase of 7 percent to officers and employees in or under the legislative branch.

Subsection (b) provides for the automatic adjustment, effective October 16, 1962, of the compensation of employees in the office of a Senator to the rate nearest that being received by such employees immediately preceding such effective date unless the disbursing office of the Senate is notified to the contrary within 15 days after the date of enactment. Such notice, when given, would give effect to the increase.

Subsection (c) provides an increase of 7 percent in the rates of basic compensation of the elected officers of the Senate (not including the presiding officer) the Parliamentarian of the Senate, the legislative counsel and senior counsel in the Office of the Legislative Counsel of the Senate, the official reporters of debates of the Senate, and the Chief Clerk of the Senate, except that no such salary may be raised to an amount above $21,500.

Subsection (d) increases the limitation fixed by law on the compensation of employees of the Senate by the amount necessary to pay the additional compensation provided by the conference substitute bill.

Subsection (e) provides that the provisions of subsection (a) shall not apply to employees engaged in folding speeches and pamphlets whose compensation is subject to the new limitation.

Subsection (f) covers elected officers of the House of Representatives (other than Members) and certain other officers of the House of Representatives who are not covered by other provisions of the conference substitute bill. Subsection (f) covers the following officers and employees of the House of Representatives:

(1) The Assistant Parliamentarian No. 1 of the House of Representatives, whose total rate of per annum compensation is now prescribed by House Resolution 339, 84th Congress, section 103 of the Legislative Branch Appropriation Act, 1957 (70 Stat. 370; Public Law 624, 84th Cong.), and section 117(g) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 304; Public Law 86–568);

(2) The following elected officers of the House of Representatives, whose total rates of per anum compensation are now prescribed by House Resolution 486, 84th Congress, section 103 of the Legislative Branch Appropriation Act, 1957 (70 Stat. 370; Public Law 624, 84th Cong.), section 4(k) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 209; Public Law 85–462), and section 117(g) of the Federal Employees Salary Increase Act of 1960 (pt. B. of title I of the act of July 1, 1960; 74 Stat. 304: Public Law 86–568); the Clerk of the House, the Sergeant at Arms of the House, the Doorkeeper of the House, and the Postmaster of the House;

(3) The chief of staff of the Joint Committee on Internal Revenue Taxation, whose total per annum compensation is now prescribed under authority of section 302(c) of the act of October 4, 1961 (75 Stat. 793; Public Law 87–367);

(4) The legislative counsel of the House of Representatives, whose total per annum compensation is now fixed in accordance with a provision relating to the legislative counsel of the Senate in the Legislative Branch Appropriation Act, 1958 (71 Stat. 251; Public Law 85–75) (as modified by secs. 4(c) and 4(m) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 208 and 209; Public Law 85–462)), and section 117(g) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 304; Public Law 86–568);

(5) The coordinator of information of the House of Representatives, whose total per annum compensation is now fixed under House Resolution 183, 80th Congress, section 105 of the Legislative Branch Appropriation Act, 1948 (61 Stat. 377; Public Law 197, 80th Cong.), section 2(e) of the act of October 24, 1951 (65 Stat. 612; Public Law 201, 82d Cong.), section 4(c) of the Federal Employees Salary Increase Act of 1955 (69 Stat. 176; Public Law 94, 88th Cong.), section 4(l) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 209; Public Law 85–462), and section 117(g) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 304; Public Law 86–568);

(6) Two printing clerks, one for the majority caucus room and one for the minority caucus room, who total per annum compensation is now provided for on a present incumbency basis in the paragraph under the heading "House of Representatives" and the subheading "Special and Minority Employees" in the Legislative Branch Appropriation Act, 1958 (71 Stat. 247; Public Law 85–75), as modified by a comparable provision in each annual appropriation act for the legislative branch, the latest such provision currently being the paragraph under the heading "House of Representatives" and the subheading "Special and Minority Employees" in the Legislative Branch Appropriation Act, 1962 (75 Stat. 325; Public Law 87–130);

(7) Four minority employees of the House in positions referred to in House Resolution 486, 84th Congress, whose total per annum compensation is now fixed under such resolution and section 103 of the Legislative Branch Appropriation Act, 1957 (70 Stat. 370; Public Law 624, 84th Cong.), section 4(r) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 209; Public Law 85–462), and section 117(g) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 304; Public Law 86–568).

The above list of officers and employees within the purview of subsection (f) is not necessarily all-inclusive.

It may be noted, in connection with House officers and employees in the categories covered by subsection (f), that three employees in comparable categories are granted increases in compensation under section 1005 (a) rather than subsection (f). These employees are as follows:

(1) The Chaplain of the House of Representatives, whose present rate of total per annum compensation consists of a per annum basic rate prescribed by section 6 of the Legislative Appropriation Act, 1956 (69 Stat. 508; Public Law 242, 84th Cong.), and additional compensation provided by the various pay increase laws covering legislative branch employees generally, including section 117 (a) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 303; Public Law 86–568);

(2) The Assistant Parliamentarian No. 2 of the House of Representatives whose present rate of total per annum compensation consists of a per annum basic rate provided by House Resolution 277, 82d Congress, and section 277 of the Legislative Branch Appropriation Act, 1953 (66 Stat. 478; Public Law 471, 82d Cong.), and additional compensation provided by the various pay increase laws covering legislative branch employees generally, excluding the Federal Employees Salary Increase Act of 1958 but including section 117(a) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 303; Public Law 86–568);

(3) The clerk to the House Parliamentarian, whose present rate of total per annum compensation consists of per annum basic rate fixed under House Resolution 486, 85th Congress, and section 103 of the Legislative Branch Appropriation Act, 1959 (72 Stat. 453; Public Law 85–570), and additional compensation provided by the various pay increase laws covering legislative branch employees generally, excluding the Federal Employees Salary Increase Act of 1958 but including section 117(a) of the Federal Employees Salary Increase Act of 1960 (pt. B of title I of the act of July 1, 1960; 74 Stat. 303; Public Law 86–568).

Subsection (g) increases the limitations on gross rate per thousand and gross rate per hour per person payable to employees of the House of Representatives engaged in folding speeches and pamphlets by an amount equal to the increases granted to legislative employees under the conference substitute.

Subsection (h) makes clear that the increases provided by section 1005 are to be considered part of basic compensation for the purposes of the Civil Service Retirement Act.

Subsection (i) provides that notwithstanding any other provision of section 1005, no rate of compensation which exceeds $21,500 shall be increased by such section, and no increase provided by such section shall cause the gross rate of compensation (basic

plus additional compensation authorized by law) or the total annual compensation of any officer or employee to exceed $21,500.

Subsection (j) provides that, insofar as the provisions of section 1005 apply to officers and employees whose compensation is based on a monthly pay period which begins on the first day of the month, such provisions shall become effective on October 16, 1962. The purpose of subsection (j) is to insure that officers and employees in the legislative branch will receive pay increases at approximately the same time as other officers and employees covered by the conference substitute.

Saving provision: Section 1006 provides, in effect, that no provision of the conference substitute shall operate to reduce any rate of salary, pay, or compensation of any officer or employee covered by the conference substitute.

Absorption of costs: Under section 1007, the departments and agencies are directed to provide for absorption of the costs of salary increases from available funds of the executive departments, but this section is not to be considered to require any employee to be separated from the service or placed in a leave-without-pay status.

Effective dates: Section 1008 provides that title VI, except as otherwise expressly provided, is to become effective on the first day of the first pay period after enactment.

Ceiling provisions: Section 1009 makes it clear that, except as provided in section 1005, this act will not cause any rate of compensation to exceed $20,000 per annum.

Part III.—Adjustment of annuities under Civil Service Retirement Act

The House bill contained no provisions such as are contained in the conference substitute under Part III, Adjustment of Annuities.

An explanation of part III of the conference substitute is set forth below.

Section 1101(a) provides a 5-percent increase, effective January 1, 1963, in all annuities then payable from the fund which commenced on or before that date.

Subsection (b) extends this initial increase on a graduated percentage basis to all annuities which commence in the 5-year period following January 1, 1963, in accordance with the following schedule:

Annuities commencing between—

	Are increased from commencing date by—
Jan. 2, and Dec. 31, 1963	4 percent.
Jan. 1, and Dec. 31, 1964	3 percent.
Jan. 1, and Dec. 31, 1964	2 percent.
Jan. 1, and Dec. 31, 1966	1 percent.

Subsection (c) provides that the percentage increase granted a retiree under subsection (a) or (b) will apply to the annuity subsequently granted his survivor.

Subsection (d) excludes from the 1963 increase annuity amounts purchased at retirement by voluntary contributions.

Subsections (e) and (f) remove the ceilings on increases to retirees imposed by the 1952 and 1955 annuity increase laws. Under the annuity increase act of July 16, 1952, as amended by the act of August 31, 1954, no retiree's annuity (exclusive of that purchased by voluntary contributions) could be raised beyond $2,160. The act of August 11, 1955, similarly provided that no regular annuity could be increased under its terms beyond $4,104. These increase ceilings are repealed and made no longer effective on and after January 1, 1963. Each retiree affected by one or both of these ceilings who is still on the annuity rolls will be entitled to have his anuity rate reestablished as of Janaury 1, 1963, as though these ceilings had never existed. This reestablished rate, plus a 5-percent 1963 increase, will be payable from and after January 1, 1963.

Subsection (g) states effective date provisions for increases.

Subsection (h) provides that monthly annuity rates after adjustment will be fixed to the nearest dollar.

Section 1102(a) adds a new subsection to section 1 of the Civil Service Retirement Act to define the term "price index" as the calendar year average of the monthly Consumer Price Index published by the Bureau of Labor Statistics.

Subsection (b) renumbers present section 18 of the Civil Service Retirement Act as section 19 and inserts a new section 18. New section 18 embodies an automatic annuity adjustment plan.

The new section 18 of the Civil Service Retirement Act provides for future adjustment of annuities as follows:

Subsection (a) directs the Civil Service Commission to annually determine, after January 1, 1964, and each succeeding January 1, the percentage change in living costs from 1962 or from the year preceding the most recent cost-of-living adjustment to the latest complete year. Depending on the price index change, adjustment actions ensue.

Subsection (a)(1) provides that if the price index change from 1962 to 1963 equals a rise of at least 3 percent, an increase will be allowable, effective April 1, 1964. All annuities which began before January 2, 1963, will be increased by the percentage rise in the price index, adjusted to the nearest one-tenth of 1 percent.

Subsection (a)(2) provides for automatic increases in annuities effective April 1 of any later year after the percentage change in the price index has equaled a rise of at least 3 percent. All annuities payable from the fund as of April 1 which commenced earlier than January 2 of the preceding year will be increased by the percentage rise in the price index, adjusted to the nearest one-tenth of 1 percent.

Subsection (b) states the general rule that eligibility for an increase is governed by the commencing date of each annuity payable as of the appropriate April 1 effective date, but with these exceptions to the rule:

Under subsection (b)(1), a retiree's survivor (other than a current act child survivor) on the roll as of the first cost-of-living increase, whose annuity started the date after the retiree's death, will receive the initial increase provided the retiree's commencing date of annuity was earlier than January 2 of the year preceding the first increase.

Under subsection (b)(2), the annuity of a retiree's survivor (other than a current act child survivor), which starts the day after the retiree's death and after the effective date of the first cost-of-living increase will be increased from commencing date by whatever percentage increase the retiree was receiving at death.

Under subsection (b)(3), a special method is provided for increasing annuities of child survivors under the current act. These annuities are unique in that they are not the product of years of service times percentage of average salary. The child's rate is the lesser of (1) a set percent of average salary or (ii) a dollar amount which cannot reflect living cost salary increments. Thus, for these annuities, the cost-of-living annuity adjustment must be built into the benefit formula. The following provisions are made for child-survivor annuities which commence after the effective date of the first cost-of-living increase:

Existing formula		Increase provided—proposed increase
Spouse surviving	No spouse surviving	
40 percent of average salary divided by number of children.	50 percent of average salary divided by number of children.	Cumulative cost-of-living percent granted after commencing date of retired parent's annuity. Inapplicable to children of employee, because his average salary includes living cost adjustments which pass on to children.
$1,800 divided by number of children.	$1,160 divided by number of children.	Cumulative cost-of-living percent currently authorized. Applicable to children of retiree and employee alike, because salary living cost adjustments can never pass on to children.
$600	$720	Cumulative cost-of-living percent currently authorized. Applicable to children of retiree and employee alike, because salary living cost adjustments can never pass on to children.

Provision is made for applying these formula changes to any child's annuity which commenced in the 15-month period before the effective date of the first increase as if such initial increase had been in effect. Resulting rate adjustments would start on the effective date of the initial cost-of-living increase.

Subsection (c) excludes from cost-of-living increases annuity amounts purchased at retirement by voluntary contributions.

Subsection (d) provides that monthly annuity rates after cost-of-living increase will be fixed at the nearest dollar.

Section 1103 amends sections 1(j), 9(g), and 10(a)(1) of the Retirement Act to revise and liberalize provisions for children survivors and election of reduced annuity with benefit to widow or widower.

The present section 9(g) of the act permits a married person retiring for any reason to irrevocably elect, in lieu of single life annuity, a reduced benefit carrying with it a survivor annuity to spouse, the choice to be made at time of retirement. The retiring individual may designate all or any portion of the single life annuity (excluding any increase because of disability retirement) as the base for annuity to spouse. To partially support the added survivor protection the retiring individual accepts, for life, his or her annuity reduced by 2½ percent of the first $2,400 and by 10 percent of any amount over $2,400 designated as the base for survivor annuity. Under the present section 10(a)(1), the named spouse becomes entitled to 50 percent of this base amount as widow's or widower's annuity, starting the day after the retiree's death and continuing until remarriage or death.

Under the conference substitute, section 9(g) of the act is amended to accord the retiring married employee a reduced benefit carrying with it a survivor annuity to spouse, unless he affirmatively elects to receive in lieu thereof the single life annuity. In the absence of the life annuity election, the total annuity (excluding any increase because of disability retirement) or such lesser portion as may be designated at time of retirement will be used as the base for annuity to spouse, and the individual will receive, for life, his or her annuity reduced by 2½ percent of the first $3,600 and by 10 percent of any amount over $3,600 which serves as the base for annuity to spouse. Section 10(a)(1) of the act is amended to accord the named spouse 55 percent of the amount used for the survivor base as widow's or widower's annuity, which would start the day after the retiree's death and continue until remarriage or death.

Subsections (c), (d), and (e) similarly amend subsections (b), (c), and (e) of section 10 of the act to uniformly accord a named survivor or a spouse survivor 55 percent, instead of 50 percent, of the annuity in respect to the deceased former employee or member.

Under existing law survivorship benefits paid to a child cease when the child attains the age of 18, marries, or dies except that such benefits may continue past the age of 18 if the child is incapable of self-support due to a disability incurred before attaining the age of 18.

Subsection (f) of section 1103 of the conference substitute amends section 1(j) of the Retirement Act. The substitute retains all present termination provisions but adds the further exception that benefits may continue to the end of the school year in which the child attains the age of 21 only so long as the child pursues a full-time course of study in a high school, trade school, technical or vocational institute, junior college, college, university, or comparable recognized educational institution.

This change in the Civil Service Retirement Act is in keeping with veterans' benefit laws which provide for the continuance of benefits between the ages of 18 and 21 to unmarried children while taking an approved course of instruction.

Section 1104 specifies January 1, 1963, as the effective date for section 1101 and provides that amendments made by section 1103, except subsection (F), will not apply to employees or members retired or otherwise separated prior to date of enactment.

TOM MURRAY,
JAMES H. MORRISON,
ROBERT J. CORBETT,
Managers on the Part of the House.

PERMISSION TO FILE MINORITY VIEWS

Mr. SAYLOR. Mr. Speaker, I ask unanimous consent to file minority views in connection with the report on the bill H.R. 776, and that they be printed as part of the report.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

GUARANTEED AIRCRAFT PURCHASE LOANS

Mr. O'BRIEN of New York (on behalf of Mr. WILLIAMS), submitted the following conference report and statement on the bill (H.R. 10129) to amend the act of September 7, 1957, relating to aircraft loan guarantees:

CONFERENCE REPORT (H. REPT. No. 2534)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 10129) to amend theh Act of September 7, 1957, relating to aircraft loan guarantees, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That subsection (a) of section 2 of the Act of September 7, 1957 (Public Law 85–307; 71 Stat. 629), is amended to read as follows:

"'(a) "Secretary" means the Secretary of Commerce.

"SEC. 2. Section 3 of such Act of September 7, 1957, is amended—

"(1) by striking out 'Board' the first place it appears in the first sentence of such section 3 and inserting in lieu thereof 'Secretary';

"(2) by inserting 'Civil Aeronautics' immediately preceding 'Board' the second place it appears in such first sentence;

"(3) by striking out the term 'United States' each place it appears in clause (c) of such first sentence and inserting in lieu thereof in each such place 'forty-eight contiguous States'; and

"(4) by striking out 'Board' where it appears in the second sentence of such section 3 and inserting in lieu thereof 'Secretary'.

"SEC. 3. Section 4 of such Act of September 7, 1957, is amended—

"(1) by striking out '$5,000,000' in subsection (d) and inserting in lieu thereof '$10,000,000'; and

"(2) by striking out 'Board' in subsections (e) and (f) and inserting in lieu thereof in each of such subsections 'Secretary'.

"SEC. 4. Section 5 of such Act of September 7, 1957, is amended by striking out 'Board' and inserting in lieu thereof 'Secretary'.

"SEC. 5. (a) Subsection (a) of section 6 of such Act of September 7, 1957, is amended—

"(1) by striking out 'it' the first place it appears therein and inserting in lieu thereof 'him';

"(2) by striking out 'it' the second place it appears therein and inserting in lieu thereof 'he'; and

"(3) by striking out 'Board' and inserting in lieu thereof 'Secretary'.

"(b) Section 6 of such Act of September 7, 1957, is amended by adding at the end thereof the following new subsection:

"'(c) The Secretary shall make available to the Comptroller General of the United States such information with respect to the loan guaranty program under this Act as the Comptroller General may require to carry out his duties under the Budget and Accounting Act, 1921'.

"SEC. 6. Section 7 of such Act of September 7, 1957, is amended by striking out 'Board' in subsections (b) and (c) and inserting in lieu thereof in each of such subsections 'Department of Commerce'.

"SEC. 7. Section 8 of such Act of September 7, 1957, is amended by striking out 'five' and inserting in lieu thereof 'ten'.

"SEC. 8. Section 410 of the Federal Aviation Act of 1958 (49 U.S.C. 1380), is amended by adding at the end thereof the following new sentence: 'The provisions of this section shall not be applicable to the guaranty of loans by the Secretary of Commerce under the provisions of such Act of September 7, 1957, as amended, but the Secretary of Commerce shall consult with and consider the views and recommendations of the Board in making such guaranties.'

"SEC. 9. (a) All orders, determinations, rules, regulations, permissions, approvals, agreements, rulings, directives, and privileges which have been issued, made, or granted, or allowed to become effective, by the Civil Aeronautics Board, or any court of competent jurisdiction, under any provision of law amended by this Act, or in the exercise of duties, powers, or functions which, under this Act, are vested in the Secretary of Commerce, and which are in effect on the date of enactment of this Act shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Secretary of Commerce or by any court of competent jurisdiction, or by operation of law.

"(b) The provisions of this Act shall not affect any proceedings pending before the Civil Aeronautics Board on the date of enactment of this Act; but any such proceedings shall be continued before the Secretary of Commerce, orders issued therein, and payments made pursuant to such orders, as if this Act had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or repealed by the Secretary of Commerce, or by operation of law.

"(c) The provisions of this Act shall not affect suits commenced prior to the date of its enactment; and all such suits shall be continued by the Secretary of Commerce, proceedings therein had, appeals therein taken, and judgments therein rendered, in the same manner and with the same effect as if this Act had not been enacted. No suit, action, or other proceeding lawfully commenced by or against the Civil Aeronautics Board or officer of the United States, in relation to the discharge of official duties, shall abate by reason of any transfer of authority, power, or duties from the Board or officer to the Secretary of Commerce under the provisions of this Act, but the court upon a motion or a supplemental petition filed at any time within twelve months after such transfer, showing the necessity for a survival of such suit, action, or other proceeding to obtain a settlement of the questions involved, may allow the same to be maintained by or against the Secretary of Commerce.

"SEC. 10. (a) The officers, employees, and property (including office equipment and official records) of the Civil Aeronautics Board which the Bureau of the Budget, after consultation with the Board, shall determine to have been employed by the Board in the exercise and performance of those powers and duties vested in and imposed upon it by the Act of September 7, 1957 (71 Stat. 629), as in effect on the day before the date of enactment of this Act, and which are vested by this Act in the Secretary of Commerce, shall be transferred to the Department of Commerce upon such date or dates as the Bureau of the Budget shall specify. The transfer of personnel under this section shall be without reduction in classification or compensation, except that this requirement shall not operate after the end of the fiscal year during which such transfer is made to prevent the adjustment of classification or compensation to conform to the duties to which such transferred personnel may be assigned.

"(c) All records transferred to the Secretary of Commerce under this Act shall be available for use by him to the same extent as if such records were originally records of the Secretary."

And the Senate agree to the same.

OREN HARRIS,
JOHN BELL WILLIAMS,
SAMUEL N. FRIEDEL,
JOHN B. BENNETT,
WILLIAM L. SPRINGER,
Managers on the Part of the House.

A. S. MIKE MONRONEY,
GEORGE A. SMATHERS,
STROM THURMOND,
NORRIS COTTON,
HUGH SCOTT,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 10129) to amend the act of September 7, 1957, relating to aircraft loan guarantees, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text, and the House disagreed to the Senate amendment.

The committee of conference recommends that the House recede from its disagreement to the amendment of the Senate, with an amendment which is a substitute for both the text of the House bill and the Senate amendment thereto.

The differences between the House bill and the substitute agreed to in conference are explained below, except for clerical corrections, incidental changes made necessary by reason of agreements reached by the conferees, and minor drafting and clarifying changes.

Existing law referred to in this statement is the act entitled "An act to provide for Government guaranty of private loans to certain air carriers for purchase of modern aircraft and equipment, to foster the development and use of modern transport aircraft by such carriers, and for other purposes," approved September 7, 1957 (Public Law 85-307; 71 Stat. 629). The authority to guarantee loans under this act expired September 7, 1962.

HOUSE BILL

The bill passed by the House proposed to change existing law in the following respects:

1. It extended for five years from September 7, 1962, the authority of the Civil Aeronautics Board to guarantee aircraft purchase loans.

2. It increased from $5 million to $10 million the ceiling on the amount of loans which could be guaranteed and outstanding with respect to the same carrier.

3. It required the Civil Aeronautics Board to furnish the Comptroller General such information with respect to the loan guarantee program as he might require to carry out his auditing duties under the Budget and Accounting Act, 1921.

SENATE AMENDMENT

The Senate amendment, which was a substitute for the text of the House bill, also proposed to extend the loan guarantee program for five years from September 7, 1962, and to increase from $5 million to $10 million the ceiling on the amount of loans which could be guaranteed and outstanding with respect to the same carrier. In addition, however, the Senate amendment proposed to change existing law in the following respects:

1. It made scheduled all-cargo carriers eligible for loan guarantees, with a ceiling of $15 million per carrier on the amount of loans which could be guaranteed and outstanding, subject to certain conditions relating to the type of aircraft purchased with a guaranteed loan and the use of such aircraft by the purchasing carrier.

2. It transferred from the Civil Aeronautics Board to the Secretary of Commerce the responsibility for administering the loan guarantee program.

The Senate amendment also contained appropriate provisions for the transfer from the Civil Aeronautics Board to the Department of Commerce of property and personnel utilized by the Civil Aeronautics Board in the administration of the loan guarantee program, and appropriate transitional provisions preserving existing agreements, rules, and regulations, and pending administrative and judicial proceedings, involved in the loan guarantee program.

CONFERENCE SUBSTITUTE

The substitute agreed to in conference follows the provisions of the Senate amendment transferring from the Civil Aeronautics Board to the Secretary of Commerce the responsibility for the administration of the loan guarantee program, together with appropriate transitional provisions preserving existing agreements, regulations, and proceedings, and appropriate provisions transferring property and personnel utilized in such program.

Aside from the transfer of administrative responsibility, the conference substitute follows the provisions of the House bill extending the loan guarantee authority for five years from September 7, 1962; increasing from $5 million to $10 million the ceiling on loans to one carrier which may be guaranteed and outstanding; restricting the class of carriers eligible for loan guarantees to those originally included in existing law; and requiring that information with respect to the loan guarantee program be made available to the Comptroller General.

OREN HARRIS,
JOHN BELL WILLIAMS,
SAMUEL N. FRIEDEL,
JOHN B. BENNETT,
WILLIAM L. SPRINGER,
Managers on the Part of the House.

INDECENT PUBLICATIONS IN THE DISTRICT OF COLUMBIA

Mr. DOWDY. Mr. Speaker, I call up the conference report on the bill (H.R. 4670) to amend the law relating to incident publications in the District of Columbia, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. DOWDY]?

Mr. COHELAN. Mr. Speaker, reserving the right to object, can the gentleman tell us what this bill is all about?

Mr. DOWDY. Mr. Speaker, this bill pertains to the distribution of obscene publications or literature in the District of Columbia and provides penalties for indecent photographs, posing or acting. In other words, it makes the distribution of recordings and other things that are obscene against the law.

Mr. COHELAN. Were there any hearings held on this bill in the House?

Mr. DOWDY. Yes.

Mr. COHELAN. How long ago were the hearings held?

Mr. DOWDY. That was last year.

Mr. COHELAN. When did the bill come before the House, and under what circumstances was this bill passed?

Mr. DOWDY. The same as all District bills come before the House on District Day.

Mr. COHELAN. There was no date on the bill. The gentleman knows I was opposed to it.

Mr. Speaker, I object to the unanimous-consent request.

The Clerk read the conference report and statement.

(For conference report and statement, see proceedings of the House of October 3, 1962.)

Mr. LINDSAY. Mr. Speaker, I am casting my vote against H.R. 4670, the so-called indecent publications in the District of Columbia bill. There have been no hearings in the House. Apparently there are no executive reports in favor of the bill. The bill provides for summary confiscation of printed matter, film, news matter, or anything else. There are no standards. Apparently any minor governmental official or policeman can set himself up as the judge. The total burden is on the citizen, rather than on the government as it should be.

Mr. Speaker, I am opposed to the dissemination of pornographic literature, but let us not burn down the whole house to catch a few rats.

Lastly, Mr. Speaker, I strongly disapprove of the procedure used here to get this bill through. There are members of the Committee on the District of Columbia who have never seen this bill before this moment, and I might note for the record that it is now 8 o'clock at night. This is not a good time to be slipping bills like this through the House.

Mr. MATHIAS. Mr. Speaker, the burden imposed by H.R. 4670 on booksellers seems to me to be unreasonable. The fact that "possession" is made a crime raises questions in my mind that are not answered by the conference report. This imputes to every bookseller a degree of knowledge that goes beyond that required by the law of ordinary and prudent men.

There are sound laws designed to curb the traffic in obscene literature and other matter. I would be happy to support legislation which is framed on a constitutional basis and which does not violate the rights of private citizens. My doubts in this respect, however, require that I vote against H.R. 4670 in its present form.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the yeas had it.

Mr. CURTIS of Missouri. Mr. Speaker, I object to the vote on the ground a quorum is not present, and I make the point of order a quorum is not present.

The SPEAKER. The Chair will count. (After counting.) Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 270, nays 18, not voting 147, as follows:

[Roll No. 276]

YEAS—270

Abbitt	Conte	Gavin
Abernethy	Cooley	Giaimo
Addabbo	Corbett	Glenn
Albert	Cramer	Gonzalez
Alford	Cunningham	Goodell
Alger	Curtis, Mass.	Goodling
Anderson, Ill.	Curtis, Mo.	Granahan
Andrews	Daddario	Grant
Arends	Daniels	Gray
Ashbrook	Davis,	Griffin
Avery	James C.	Gross
Ayres	Davis, John W.	Gubser
Bailey	Dent	Hagan, Ga.
Baldwin	Derounian	Haley
Baring	Derwinski	Halleck
Barrett	Devine	Halpern
Barry	Dole	Harding
Bass, Tenn.	Donohue	Hardy
Bates	Dorn	Harrison, Wyo.
Battin	Dowdy	Harvey, Mich.
Beckworth	Downing	Healey
Beermann	Doyle	Hechler
Bennett, Fla.	Dulski	Hemphill
Betts	Durno	Henderson
Boggs	Dwyer	Hoffman, Ill.
Bolton	Edmondson	Horan
Bow	Everett	Hosmer
Brademas	Fallon	Huddleston
Bray	Fascell	Hull
Brooks, Tex.	Feighan	Ichord, Mo.
Broomfield	Fenton	Inouye
Bruce	Findley	Jarman
Burke, Mass.	Finnegan	Jennings
Burleson	Fino	Jensen
Byrne, Pa.	Fisher	Joelson
Byrnes, Wis.	Flood	Johansen
Cannon	Flynt	Johnson, Calif.
Casey	Ford	Johnson, Wis.
Cederberg	Fountain	Jonas
Chelf	Frelinghuysen	Judd
Chenoweth	Friedel	Karsten
Church	Fulton	Karth
Clancy	Gallagher	Kastenmeier
Collier	Gary	Kearns
Colmer	Gathings	Keith

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued Oct. 8, 1962
For actions of Oct. 4,5,&6,1962
87th-2d, Nos. 182 & 183

CONTENTS

ACP.....18
Adjournment.....31,36
Agricultural appropriations.....14
Appropriations.....7,14,15,30,32,35
ASC committees.....5,38
Automation.....40
Bridges.....25
Centennial.....47
Chemicals.....52
Conservation.....26
Cotton.....17
Electrification.....23,46
Employment.....20
Expenditures.....28,41
Extension work.....54
Farm labor.....29,48
Farm program.....16,49
Flood control.....8,30,42
Food-and-mouth disease..33
Foreign aid.....7,32,39
Foreign trade.....22,27,44
Forest products.....45
Forest Service.....19,51
Golden eagle.....9
Grants-in-aid.....43
Imports.....29
Inspection.....25
Lands.....4,16
Legislative program.....13,30,35
Legislative record.2,12,34
Lumber industry.....45
Milk.....37
Patents.....53
Pay increase.....3,33
Personnel.....3,20,33,56
Political activity.....55
Postal rates.....3,33
Public works.....8,30
Research.....1
Roads.....11
Stockpiles.....50
Surplus food.....24
Trade fairs.....6
Transportation.....10,21
Virgin Islands.....55
Wool.....29

HIGHLIGHTS: (Oct. 5) Senate insisted on amendments in disagreement on agricultural appropriation bill. Sen. Russell objected to reporting of supplemental appropriation bill. Sen. Holland inserted Sen. Eastland's article urging that cotton be made more competitive. Sen. Morse commended Land and People Conference in Ore. Senate passed bill to facilitate work of Forest Service. Sen. Morse inserted Secretary Freeman's letter refuting charge of political influence in locating forest fire research laboratories. House agreed to conference report on pay bill. House received conference report on foreign aid appropriation bill. Rep. Pfost commended ASC county committeemen. (Oct. 6) House agreed to conference report on foreign aid appropriation bill.

HOUSE - October 4, 1962

1. RESEARCH. Rep. Reuss criticized geographic concentration of Federal research grants saying, " ... it not only boosts the technological advance of some industries but distorts their natural geographic distribution across the country." pp. 21280-2

2. LEGISLATIVE ACCOMPLISHMENTS. Several Representatives inserted statements on the legislative accomplishments of the 2nd aession of the 87th Congress. pp. 21265-7, 21279-80

HOUSE - October 5, 1962

3. PAY BILL. By a vote of 312 to 20, agreed to the conference report on H. R. 7927, the postal increase and pay bill. This bill will now be sent to the President. pp. 21403-15

4. LANDS. Concurred in the Senate amendments to H. R. 7781, to authorize GSA to convey by quitclaim deed a parcel of land in Prince Georges County, Md., to the Silver Hill Voluntary Fire Department and Rescue Squad. The Senate amendments inserted the language of H. R. 11111, to amend the act of October 4, 1961 authorizing the Secretary of Agriculture to sell and convey certain forest lands in Iowa so as to provide that such sale shall be subject to the condition that the property be used for public purposes, and inserted the language of S. 3589, to authorize the Secretary of Agriculture to acquire certain lands in Wright County, Minn. and exchange them with the State of Minnesota for State-owned lands in the Superior National Forest. This bill will now be sent to the President. p. 21422

5. ASC COMMITTEES. Rep. Pfost commended the ASC county committeemen saying, "It is these men I want to salute today and thank them for their efforts in the past which have resulted in the greatest agriculture in the world." p. 21464

6. TRADE FAIRS. Received and agreed to the conference report on S. 3389, to promote foreign commerce through the use of mobile trade fairs (H. Rept. 2538). pp. 21416-7, 21496

7. FOREIGN AID APPROPRIATION BILL, 1963. Received the conference report on this bill, H. R. 13175 (H. Rept. 2540). pp. 21459-60, 21496

8. PUBLIC WORKS. Rep. Saylor objected to a unanimous consent request to appoint conferees on H. R. 13273, the rivers, harbors, and flood control authorization bill. p. 21398

9. GOLDEN EAGLE. Rep. Fisher objected to a unanimous consent request to concur in the Senate amendments to H. J. Res. 489, to provide protection for the golden eagle. p. 21402

10. TRANSPORTATION. Received the conference report on H. R. 5700, to amend the Tariff Act of 1930 to permit contract carriers by motor vehicle to transport bonded merchandise (H. Rept. 2541). pp. 21458, 21496

11. ROADS. Rep. Fallon reviewed the highway legislation enacted in the 87th Congress and inserted a table on the status of improvement of the national system of interstate and defense highways as of June 30, 1962. pp. 21472-4

12. LEGISLATIVE ACCOMPLISHMENTS. Several Representatives discussed the legislative accomplishments of the 2nd session of the 87th Congress. pp. 21460-3, 21469-72

13. LEGISLATIVE PROGRAM. Rep. Albert announced that there will be no legislative business on Mon. and that various conference reports will be considered on Tues. pp. 21463-4

Res. 583) and ask for its immediate consideration.

The Clerk read the title of the concurrent resolution.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed for the use of the Committee on the Judiciary, House of Representatives, one hundred and eighty-five thousand copies of the Constitution of the United States and the amendments thereto, suitable for distribution as provided for by section 8 of the Act approved July 14, 1960 (74 Stat. 508; Public Law 86–650), as amended by S.J. Res. 60, to immigrants admitted for permanent residence.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

SOCIAL SECURITY COVERAGE FOR POLICEMEN AND FIREMEN IN MAINE

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 8853) to amend title II of the Social Security Act to include Maine among the States which may obtain social security coverage, under State agreement, for the State and local policemen and firemen.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 218(p) of the Social Security Act is amended by inserting "Maine," after "Kansas,".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 8853, which was introduced by our colleague from the State of Maine, the Honorable STANLEY R. TUPPER, is to amend title II of the Social Security Act to include Maine among the States which may obtain old-age, survivors' and disability insurance coverage, under State agreement, for State and local policemen and firemen.

Under present law, the provision permitting such coverage of services performed by employees of a State—or of any political subdivision thereof—in any policeman's or fireman's position covered by a retirement system of the State or local government, when the members of the system vote in favor of coverage, has been extended to 17 specified States and all interstate instrumentalities. These 17 States are: Alabama, California, Florida, Georgia, Hawaii, Kansas, Maryland, New York, North Carolina, North Dakota, Oregon, South Carolina, South Dakota, Tennessee, Vermont, Virginia, and Washington. The pending bill would simply add the State of Maine to this list.

Existing law provides adequate assurance that old-age, survivors' and disability insurance coverage will be extended only to groups of policemen or firemen who want such coverage. Under the present referendum provisions of the Social Security Act, members of a State or local government retirement system group have a voice in any decision to cover them under old-age, survivors' and disability insurance. In addition, existing law contains a declaration that it is the policy of the Congress that the protection afforded members of a State or local government retirement system not be impaired as a result of the extension of old-age and survivors' insurance coverage to members of the system.

Mr. TUPPER. Mr. Speaker, I thank the distinguished majority leader for asking that H.R. 8853 be taken up by the House. This bill will amend title II of the Socical Security Act to include Maine among the States which may obtain social security coverage, under State agreement for State and local policemen and firemen.

The bill would extend to the State of Maine the provision in present law which makes social security—old-age survivors and disability insurance—coverage available already in 17 States and in all interstate instrumentalities to policemen and firemen who are members of a State or local retirement system.

If H.R. 8853 is approved, Maine policemen and firemen now covered by a retirement system—all present and future members—may be also covered by social security if a majority of the eligible employees approve such coverage.

The State legislature in my State of Maine voted in favor of such permissive coverage. The Maine Law Enforcement Association, made up over every branch of law enforcement officers in the State of Maine—1,070 members—support the bill, and I have received many communications from individual policemen and firemen from my State in favor of this legislation.

It should be emphasized that Maine policemen and firemen now under a retirement system will be able, if they choose, to supplement their retirement income under this legislation.

I think it is appropriate that these public servants who protect lives and property of others throughout their working years be given the opportunity to participate in the social security system as well as their other retirement system.

We all know that the pay for police and firemen does not often compensate for the long hours and frequent risk of their lives. This bill will help in my State to make these jobs more attractive.

The State of Maine is proud of the excellence of our State and local law enforcement departments and of our local fire departments.

H.R. 8853 will help to maintain and improve upon these organizations.

[Mr. BYRNES of Wisconsin addressed the House. His remarks will appear hereafter in the Appendix.]

(Mr. TUPPER and Mr. BYRNES of Wisconsin (at the request of Mr. MILLS) were granted permission to extend their remarks on the bill H.R. 8853.)

PRINTING OF PROCEEDINGS IN HOUSE COMMITTEE ON BANKING AND CURRENCY

Mr. BURLESON. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Resolution 819).

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the resolution, as follows:

Resolved, That the transcript of the proceedings in the Committee on Banking and Currency of Thursday, September 27, 1962, incident to the presentation of a portrait of Hon. Brent Spence to the Committee on Banking and Currency be printed as a House Document with illustration and suitable binding.

The resolution was agreed to.

A motion to reconsider was laid on the table.

HOUSE RESOLUTION 821 LAID ON THE TABLE

The SPEAKER. On yesterday the House passed Senate bill, S. 3631. A similar House bill (H.R. 10569) to amend title 13, United States Code, to preserve the confidential nature of copies of information filed with the Bureau of the Census on a confidential basis, was laid on the table.

Without objection, the rule (H. Res. 821) providing for consideration of the House bill will be laid on the table.

There was no objection.

POSTAL SERVICE AND FEDERAL EMPLOYEES SALARY ACT OF 1962

Mr. MURRAY. Mr. Speaker, I call up the conference report on the bill (H.R. 7927) to adjust postal rates, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the statement.

(For conference report and statement see proceedings of the House of October 4, 1962.)

Mr. MURRAY (interrupting the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

Mr. GROSS. Reserving the right to object, Mr. Speaker, I assume the gentleman will take ample time to explain the bill.

Mr. MURRAY. I will say to the gentleman from Iowa that I will take ample time to anyone to explain the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The SPEAKER. The gentleman from Tennessee is recognized for 1 hour.

Mr. MURRAY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 7927, to adjust postal rates and for other purposes, passed the House on January 24, 1962. It was amended in the other body to include Federal salary adjustments and increases in civil service retirement annuities.

The conference substitute contains the most important and far-reaching provisions for postal financing, Federal civilian salary reform, and civil service retirement annuities that have been presented in a single legislative measure.

Postal revenues will be increased by $600 million when all of the postal rate adjustments become effective. This added revenue and the public service policy provisions—first approved by the Congress in 1958 and modernized in this bill—will eliminate all of the postal deficit which exists in the first-, second-, and third-class mail categories. The remaining deficiency—primarily in parcel post operations—will be eliminated when the Interstate Commerce Commission approves adjustments for which the Postmaster General has petitioned to make fourth-class revenues equal costs within 4 percent, as required by law.

The increased postal revenue to be provided by part I of the conference substitute is approximately $20 million less than the increased revenue of $620 million which would have been provided by the substitute provisions for H.R. 7927 recommended last January by the Postmaster General and presented to the House under my name. The bill passed by the House, however, increased those revenue provisions by $71 million by the adoption of an amendment raising the third-class bulk minimum charge per piece an additional one-half cent.

SALARY INCREASES

Part II of the conference substitute places in effect major provisions of the Federal statutory salary reform proposal submitted to the Congress by the President earlier in the current session. The essential requirements of comparability of Federal and private enterprise salary rates, internal alinement of Federal salary schedules, and annual review and adjustment of salaries recommended by the President are provided by part II. The chief differences between the conference substitute and the President's recommendations are, first, salary adjustments under the conference substitute are in two phases, spaced 15 months apart, instead of three annual phases as recommended by the President; and, second, the three highest grades of the Classification Act of 1949 and the three highest levels of the postal field service schedule receive only one upward adjustment, leaving the final determination of the appropriate salaries for such grades and levels for consideration in the next Congress.

The conference substitute also provides comparable salary adjustments for employees in the judicial branch, agricultural stabilization and conservation country committee employees, congressional employees, and employees whose rates of compensation are fixed by administrative action. This is in conformity with the policy adopted by the Congress in all recent salary increase legislation.

COST OF SALARY INCREASES

The annual cost of the salary reform provisions of the conference substitute will be $1.049 billion beginning with the calendar year 1964, when the salary adjustments provided for therein become fully effective. The salary reform legislation recommended by the President would have cost $1.054 billion a year beginning in the calendar year 1965. The annual cost of Federal civilian salary reform provisions contained in H.R. 9531, as reported favorably by the House Committee on Post Office and Civil Service but not acted upon by the House, would have been $1.469 billion beginning with the calendar year 1964—a difference of $420 million savings under the conference substitute.

CIVIL SERVICE RETIREMENT ANNUITIES

Part III of the conference substitute—

First. Provides a 5-percent increase, effective January 1, 1963, in all annuities then payable from the civil service retirement fund which commenced on or before that date.

Second. Applies the increase on a graduated reduction basis to all annuities which commence in the 4-year period following January 1, 1963, in keeping with the practice followed in the last previous enactment of this kind.

Third. Provides that the proper proportion of the increase granted an annuitant will accrue to his survivors.

Fourth. Excludes from the increase annuity amounts purchased by voluntary contributions.

Fifth. Removes the ceilings on increases imposed by certain previous enactments.

Sixth. Provides for future adjustments in the event the calendar year average of the monthly Consumer Price Index of the Bureau of Labor Statistics increases not less than 3 percent.

Seventh. Raises from $2,400 to $3,600 the portion of annuity to which the reduction of 2½ percent applies when electing survivorship benefits.

Eighth. Increases the ratio of survivorship benefits from 50 to 55 percent.

Ninth. Reverses present procedure by providing that in the future survivorship benefits will be automatic unless an adverse election is made.

Tenth. Extends the right of survivorship benefits for children to the end of any school year in which a child attains the age of 21 years so long as the child pursues full-time studies in a school, college, university, or comparable recognized educational institution. This change is in keeping with provisions of veterans' benefit laws.

Mr. Speaker, I strongly recommend approval of the conference substitute.

Mr. Speaker, I yield such time as he may require to the gentleman from Pennsylvania [Mr. CORBETT].

Mr. CORBETT. Mr. Speaker, in the consideration of this conference report, there are four main points which we can very briefly clarify. I might, by way of preface, point out that in a bill of this kind there is perhaps no provision to which some objection cannot be found. Obviously, when you are considering something as complicated as postal rates, when you are into something as complicated as salary schedules, the job of eliminating inequalities, the job of keeping everything in balance, it is very difficult, particularly when there are groups that feel these pressures one way or the other.

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. CORBETT. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Mr. Speaker, according to the report, section 1310, an act of several years ago, commonly known as the Whitten Rider, has been amended in connection with the total number of permanent Federal employees.

The Postmaster General conferred with me as to this, and we worked this out with the staff of the appropriate committees, and the allocation of permanent positions to the Post Office Department was changed from the total fixed by the act, and was such as to prohibit some additional plans for the Post Office Department where they now hire temporary employees. He felt that because we are allocating as large a percentage as the law permits, that some adjustments should be made.

In connection with it, I assured the Postmaster General in view of the fact that he could not get a higher allocation that I, personally, would have no objection to an increase of 10 percent in the postal service in permanent jobs.

Second, they said that it would save money and would not change the total overall ceiling.

It is my information that what is in the conference report represents an increase in the total number of permanent positions in question of 10 percent, which is a far different story; that the total number of permanent employees would be raised from something like 1 to 1.1 million.

Could the gentleman from Pennsylvania advise me at this point and could the gentleman make certain that the record shows it and tell us all he can about it at this time?

Mr. CORBETT. Mr. Speaker, I might say to the gentleman that I had an earlier conversation with the gentleman. The gentleman has been very reasonable and considerate of this situation. The gentleman recognizes that the volume is increasing by leaps and bounds, and that the number of new post offices which we need demands this.

I shall be happy to clarify this situation, as it relates to this conference report.

Mr. WHITTEN. I shall thank the gentleman if the gentleman will do it in that way. I have read the hearings and have tried to make it out, but my latest information is that it applies across the board rather than to our intention to allocate these positions.

Mr. CORBETT. The conference report provides merely for an increase in the number of permanent employees in the postal field service. The provision to which I refer is on page 29 of conference report No. 2532 and reads as follows:

(b) Section 1310(a) of the Act of November 1, 1951 (65 Stat. 757), as amended, which fixes a ceiling on permanent employees in the Federal Government, is amended by inserting after the word *"Provided,"* the following: "That increases in the number of permanent personnel in the Postal Field Service not exceeding 10 per centum above the total number of its permanent employees on September 1, 1950, shall not be chargeable to this limitation:".

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. CORBETT. I yield to the gentleman from Pennsylvania.

Mr. WALTER. I understand in the bill as it passed the Senate there was a provision requiring the Civil Service Commission to give consideration to the experience which employees had in the postal services where they were applicants for appointment as Postmaster. This is a very desirable provision, and as I see it there had been a clear-cut expression in regard to it.

I am just wondering whether or not that provision was left in the conference report?

Mr. CORBETT. I assure my colleague that provision was left untouched by the conferees. I agree with the gentleman from Pennsylvania wholeheartedly, that any other arrangement would have been unwise. If we are not going to recognize experience in career training, we have gotten into a very unhealthy situation.

Mr. WALTER. I trust that this will serve as notice to the Civil Service Commission as to what the intent of the Congress is, and that they will pay attention to it in determining eligibility.

Mr. CORBETT. I think the gentleman is entirely correct.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. CORBETT. I yield to the gentleman from Pennsylvania.

Mr. FULTON. Mr. Speaker, I would like to compliment the gentleman for his work on the conference committee and to compliment the conferees as well for coming up with as good a bill as we could expect at this time.

It has been a pleasure for me to be one of the team working with the gentlemen for these pay raises and although I do not agree with the postal rate raises in many instances I know that this is the best we can do now. Would the gentleman agree that this is about the best bill we can get for these Government employees and postal workers to bring them up to the level of industrial and business pay?

Mr. CORBETT. First of all, I want to thank the gentleman for his very kind observations and hope that he is not expressing a minority opinion. As we all know, the gentleman from Pennsylvania, during all his years of service in the Congress, has been in the forefront of the continuing fight to secure reasonable and adequate salaries for all our Government employees. It has been a pleasure for me to have worked closely with him in this endeavor.

Now, Mr. Speaker, I should like to get to the main features of the bill, and then if I have time I should be glad to yield further.

No. 1, the part of the bill dealing with postal rates is a large section of this measure. These rates are coupled with a realistic appraisal of the value of the public service features, and will result in the Post Office Department having a real surplus rather than its traditional deficit. Even with the pay raise provided in this bill for postal workers I want to emphasize the fact that the new revenues provided and a proper estimate of public service cost will leave the Post Office Department at long last in a surplus situation.

Now with regard to the salary situation, the pay features of this bill. It is somewhat different from the administration's proposals. However, it does do these two things to a degree. In the lower grades it brings salaries up to meet the increased cost of living. In the higher grades the attempt is made to introduce the philosophy of comparability. There is an attempt made, incomplete as it is, to make the pay of people working for the Federal Government comparable to what they would secure in private industry.

So I think this should be emphasized, that we recognize that every year or every 2 years we have this matter of pay raises and we have the matter of postal rates to consider. Some may say that this bill was considered in haste. That kind of charge simply is not true, because the Post Office and Civil Service Committees of both the House and the Senate are in almost constant session when Congress is in session, on these subjects, hearing one witness after another and having executive sessions. So while the action may have been fast, the consideration was very long and very painstaking.

Mr. Speaker, the only other feature of the bill that needs to be mentioned is the fact that is recognizes that our older, retired employees are the true victims of the inflation. They need help. This bill authorizes a 5-percent increase in their retirement annuities, but because of the action yesterday does not make available the funds. It also authorizes a permanent change in the annuity situation by gearing future adjustments to increases in the cost of living which will be beneficial to those who have served our Federal Government.

Mr. Speaker, having studied this bill carefully, worked on the conference report and on the hearings, I can very sincerely recommend its overwhelming passage by this body.

Mr. MINSHALL. Mr. Speaker, will the gentleman yield?

Mr. CORBETT. I yield to the gentleman.

(Mr. MINSHALL asked and was given permission to revise and extend his remarks.)

REPORT ON 87TH CONGRESS, 2D SESSION

Mr. MINSHALL. Mr. Speaker, the 2d session of the 87th Congress has set a record, at least as to length. More than 9 months in continuous session makes it the longest election-year congressional session in history, with the exception of certain wartime sessions which ran year around.

The House of Representatives, in this session, passed something over 550 bills out of the more than 4,500 measures introduced. It has been said before, but it is worth repeating, that bare statistics do not adequately picture the long hours spent by each of us in committee work. It is, of course, in committee where the major part of the work of Congress is done. The 4,500 measures introduced had to be studied and analyzed and discussed in committee. Those which were favorably reported out of committee were again studied and debated on the floor of the House.

I am privileged to serve on what I believe to be the most powerful subcommittee of the House—Defense Appropriations. The larger part of our entire national budget is spent on the military, and as appropriations originate in the House, our Defense Appropriations Subcommittee has unique and great responsibility. I have a keen interest in the work of this important committee, and I feel that here is one of my chief services as a Representative in Congress.

I can report to you that every member of the Defense Appropriations Subcommittee works diligently in what he believes to be the best interests of his country.

My report on the 2d session of the 87th Congress follows:

NATIONAL DEFENSE

Complete bipartisan cooperation was evidenced in the unanimous vote for our national defense appropriations. This year, it was $48,136,247,000, the highest defense appropriation in peacetime history. In addition to this amount nearly $1.4 billion was appropriated for military construction.

As I have mentioned, I am a member of the Defense Appropriations Subcommittee, and it was this committee's job to examine every item proposed, and prepare the necessary legislation. On our shoulders—13 of us—rests the responsibility of making the difficult initial decisions affecting the defense budget.

ATOMIC ENERGY AND SPACE

We approved over $3 billion for atomic energy experiments and development. Nearly $4 billion was appropriated for the space program. We also passed the Communications Satellite Act, establishing a commercial communications satellite system with Federal support. This was designed to improve global communications and contribute to better international understanding and world peace. Incidentally, this measure survived a filibuster by a small group of Senator who usually favor Government ownership and control over free enterprise.

FOREIGN AFFAIRS

Cuba: Both Houses of Congress passed a resolution expressing the determination of the American people to prevent by whatever means may be necessary, including the use of arms, the Communist regime in Cuba from extending its aggressive or subversive activities to any part of this hemisphere. A move to make the language even stronger failed to pass.

Trade: One of the most important pieces of legislation to be enacted by the

second session was the Trade Expansion Act. Its main provision authorizes the President to cut tariffs across the board up to 50 percent and to eliminate entirely tariffs on goods of which the United States and the European Economic Community account for 80 percent of the free world trade. Under the provisions of the legislation, the President may raise duties if, in his opinion, such boost is needed to protect domestic interests. The bill also provides for certain tax and loan aid to industries damaged by foreign competition, and for extra unemployment compensation for workers who lose their jobs as a direct result of tariff reductions.

Foreign aid: The Congress looked at foreign aid with a very critical eye this year. There has been general disenchantment with the program. Examples of waste and mismanagement were numerous. The House made a very deep cut in the appropriation. The Senate restored some of the funds, but the final figure of nearly $4 billion was still considerably lower than that requested by the administration.

U.N. bonds: After much debate, Congress agreed to the U.S. purchase of United Nations bonds, not to exceed $100 million. The bond issue was designed to relieve the financial pressures on the U.N. caused by the refusal of some member nations to pay their share of the expenses for U.N. operations in the Congo and the Middle East. Let us hope that nations can be compelled to pay their just dues, and that the bond issue will not create a precedent.

DOMESTIC AFFAIRS

Tax reform: The new tax bill, as finally passed, was not the bill recommended by the President. Again heeding the voice of the people, who sent in letters to their Congressmen by the tens of thousands, Congress struck out the provision for the withholding of taxes on interest and dividends.

Self-employed pensions: The bill as finally agreed to would allow the self-employed individual to provide himself a pension plan wherein he could deposit up to $2,500 a year and make half of his annual deposit tax exempt. The final version of the bill did not provide so great an incentive to establish voluntary retirement programs as originally designed. However, it did equalize the pension position of the company employee and that of the self-employed person. The House and Senate conferees deleted some Senate amendments which would have had a damaging effect on company pension plans and profit-sharing plans.

Postal rates: Congress passed the bill to raise by 1 cent the basic postal rates on first class mail and raised the rates on second and third class mail on a graduated scale. Under the provisions of the bill, Communist propaganda would not be delivered unless addressee, after notification, advises he wants it. Libraries and certain professional institutions would be exempt from this provision.

Federal pay raise: Civil service and postal employees, under the provisions of legislation passed by both Houses, would get about a 10-percent salary increase in two stages, and legislative employees would get a 7-percent increase, this designed to make the Federal worker's pay comparable to that paid for similar work in private industry. Federal retirees would receive a 5 percent boost.

Public works: The public works acceleration bill was designed to provide public works and employment in areas of high unemployment. The President had requested $1.5 billion for this program; this was cut almost in half.

Ohio projects: An appropriation of $1,553,000 was voted to continue the Cleveland Harbor improvement program. Also included was an item of $74,000 to continue the Army Corps of Engineers' technical study of the feasibility of constructing Tinkers Creek Dam to prevent flooding of the Cuyahoga River.

Antipoll tax: A constitutional amendment doing away with poll taxes was passed by the Congress and submitted to the States for ratification. To become law the constitutional amendment must be ratified by three-fourths of the States. This was the only major civil rights measure to be approved during this session.

Retraining: The Manpower Retraining Act, passed and now in effect, provides funds for the retraining of persons whose job skills are no longer in demand, and for on-the-job training.

Drug protection: Additional requirements were imposed by legislation to improve procedures of drug manufacture, testing, inspection and informing the medical profession and the public. Under the new law, drugs must be shown to be effective as well as safe. Furthermore, a drug suspected of being hazardous may be withdrawn from public use.

Housing for elderly: The Senior Citizens Housing Act, passed and enacted into law, authorizes an increase of $100 million for direct loans for urban rentals and another $100 million to broaden the rural housing program for the elderly.

Mass vaccination: Another piece of legislation passed by Congress is the Vaccination Assistance Act, which launches a 3-year program of special grants to States for mass vaccination against polio, diphtheria, whooping cough, and tetanus.

Federal aid to education: The bill designed to provide assistance to primary and secondary schools never came out of committee. Though the House originally passed the college aid bill, providing for grants and loans to public and private colleges for construction of buildings to be used for science, engineering, and general classroom purposes, but not for chapels, divinity schools or sports facilities, the student scholarship provision was not acceptable to the House. The conference report was recommitted so no final action was taken.

Health care for aged: The Senate defeated the administration-backed bill to provide medical care for the aged under social security. Among objections to the bill was the fact that it covered only those older people already under social security, leaving some millions of needy older people unprotected, while, at the same time, providing care for many wealthy people who need no help, all at the expense of the working taxpayer. The medicare bill, usually referred to as the King-Anderson bill, did not do many of the things generally expected of it. It made no provision for doctor or surgeon fees, and the patient would have to bear the first $90 of hospital expenses plus a $20 diagnosis fee. We already have medical care legislation, the Kerr-Mills Act, providing for Federal and State cooperation in taking care of all medical expenses of the aged who need financial help. Approximately half of the States are already operating a Kerr-Mills program. Some of those who opposed the King-Anderson bill felt that private and nonprofit groups should be given a chance to provide the needed services, with possibly Federal aid to the needy in the payment of premiums. Congress will certainly be considering alternative solutions to this very real and important problem in the next session.

OTHER MEASURES WHICH FAILED

The youth employment bill, resurrecting the old Civilian Conservation Corps idea died in committee.

The creation of a new Department of Urban Affairs was defeated by the House early in the session.

The administration's farm bill was killed in the House, and a less controversial substitute passed.

The wilderness bill never received final consideration.

The mass transit bill to provide Federal aid to communities for traffic problems did not receive final consideration.

FOR THE FUTURE

The 88th Congress will inherit many leftover legislative problems from the 87th Congress—among them, taxes, labor, medical care for the aged, aid to education, mass transportation, a youth employment program, tighter controls over farming, marketing, stock sales.

(Mr. LANKFORD asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. LANKFORD. Mr. Speaker, I rise in support of the conference report on H.R. 7927, the postal-Federal pay bill.

The bill has three important objectives: first, it is designed to carry out the President's recommendations for an upward adjustment in postal rates sufficient to reduce significantly the postal deficit; second, it provides an increase in the annuities for persons now on the Federal retirement rolls; and third, it puts into effect—to a limited extent—the principal aspects of the President's recommendations for needed reforms in the major statutory pay systems in the Federal service.

In the section dealing with retirement annuities, the bill provides for a 5 percent increase, effective January 1, 1963, in all annuities payable from the civil service retirement funds. This increase will affect 600,000 persons who are retired Federal employees or the survivors of former Federal employees. In addition, the bill protects these persons against increases in the cost of living by requiring that annuities be raised by an-

other 3 percent whenever the cost of living rises by that much. This provision tying annuities to the cost of living index is the most important feature of this section and is a major step in insuring that retired Federal employees—those people who have devoted their adult lives to dedicated Government service—will have the type of security in retirement that they need and rightfully deserve.

In addition, the bill provides a two-step pay raise for the 1.6 million Federal and District Government employees, of which 250,000 live and work in the Washington Metropolitan area. The total raise for these employees amounts to approximately 10 percent, averaging $603 for classified workers and $584 for postal workers. This is a well-deserved raise and long overdue, in my opinion.

But the most significant point of this bill, Mr. Speaker, is that it is not merely a pay raise bill. It is, indeed, much more than that, for it incorporates a number of reform features which are long overdue. In short, the bill contains the most significant steps that Congress has ever made to make the income of the Government worker comparable to that received by a person in private industry holding a similar job.

In order to meet its responsibility to the public a Federal salary system must pay enough to permit competent staffing so that the national security is not endangered and so that the public service is not degraded, but it must also pay no more than is necessary for this purpose and to provide equity for the Federal employee.

To insure fair treatment for the Federal employee, the salary system must provide equity among Federal employees and between them and their counterpart in private employment. The system in addition must provide for executive discretion to meet individual and special needs, to use pay for motivating employees and to initiate general adjustments as required, in order to make sure that the system is adaptable to the changing conditions and in order to stimulate peak performance.

The existing Federal salary spread from the entry professional or administrative level at GS–5 to the top career level at GS–18 is entirely inadequate by modern standards. A Federal employee from the time he first starts his Federal service can anticipate a maximum increase of only four and one-half times for a lifetime of service—and that is only true if he is one of the relatively few who reaches the very top. By contrast, his equal in private enterprise can expect to increase his beginning salary by six or seven times, without even having to reach the very top bracket in his profession.

Additional problems in the existing system are created by the fact that inequities now exist among the various Federal pay systems—for instance, supervisors under the Classification Act system are sometimes paid less than their subordinates who are under the wage board system.

The bill which we are being asked to approve here today, Mr. Speaker, incorporates reforms which affect all four Federal statutory systems—employees paid under the Classification Act, the Postal Service Compensation Act and the Foreign Service Act, and physicians, dentists and nurses of the Department of Medicine and Surgery of the Veterans' Administration.

This bill will do away with many of the equities which I have just recounted. It will do this through the adoption of two principles which will be basic to the whole Federal pay structure from now on: the comparability principle and the internal alinement principle.

Under the comparability principle, Federal salary rates will be comparable to those in private enterprise for the same level of work. This principle takes into account the effects of such legitimate pay considerations as the cost of living, the standards of living and productivity, as those factors are resolved into the going rate over bargaining tables, and the other salary determining processes used throughout the country. Under the bill, comparability for the more specialized salary systems will be established by appropriately relating key levels with grades of the Classification Act.

The internal alinement principle, on the other hand, rests on the two concepts of equal pay for equal work and pay distinctions in keeping with differences in work and quality performance. Equal pay for equal work is already in effect and it works well, but pay distinctions for differences in work are not adequate under any of the Government's statutory salary systems.

The proposed schedules would regularize and generally enlarge the differences in salaries between successive grade levels of positions. In addition, the bill would improve the provisions for within grade increases and make them more meaningful.

However, Mr. Speaker, it would not be sufficient to make these changes now and expect them to endure for all time, because the inequities would soon show up again. So the bill includes a provision which insures that the Federal employee will from here on out be treated fairly with regard to salary. The bill requires the President to submit an annual report to Congress on the relationship of Federal salaries to those in private enterprise and he is also required at the same time to make recommendations for the adjustment of salary schedules, structure, and policy he considers advisable in order to maintain equity.

It would be unrealistic, Mr. Speaker, to assume that this bill eliminates all the inequities in the Federal pay systems. This bill, like all major legislation, has its shortcomings.

Its most serious defect is that it does not solve the pressing problem of salaries at the higher executive levels. It is my hope, and I understand the intention of the Post Office and Civil Service Committee, that the next session of Congress will be able to make further improvements in the Federal pay system so that we can pay the most valuable civil servants what they deserve. I hope then, for instance, we will be able to create new top-level civil service posts—a GS–19 and a GS–20.

Let us remember that a high turnover rate in the Federal service would be more expensive in the long run than paying these employees sufficient salaries now.

Mr. Speaker, I strongly urge my colleagues to support this conference report. It is badly needed.

(Mr. WICKERSHAM asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. WICKERSHAM addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. MURRAY. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS.]

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Speaker, this is a culmination of a legislative travesty. Hearings before the House Committee on Post Office and Civil Service on pay increase legislation were carried on for weeks, and I do not think anyone can say that the gentleman from Iowa was not faithful in attending those hearings. I can remember time after time when the chairman of the committee, the gentleman from Iowa, and two or three other Members, mostly on the minority side, constituted the committee that listened to the testimony given by a long list of witnesses before the committee. I thought at times, and I say this deliberately, that the members of the majority were boycotting the hearings.

Here we are today dealing with pay-increase legislation that in very few respects resembles the legislation upon which we held hearings and which was voted out by the committee. I say again that the entire history of this legislation is a travesty, for the House has never considered any part of it except the postal rate increase. Frankly, I do not know what is in this bill, and so in the limited time allotted to me I must ask a few questions.

Am I correctly informed that the increases go to 21 percent, as high as 21 percent for some Federal employees in the upper brackets? Will someone who is an expert on this bill now tell me?

Mr. MURRAY. The gentleman is incorrect. The increase is no more than 15 percent for anybody.

Mr. GROSS. Perhaps I am incorrectly informed, but I doubt that to be the case.

Do I understand correctly that some employees of Members of the Senate will under this bill get $18,800 a year?

Mr. DERWINSKI. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Illinois.

Mr. DERWINSKI. The gentleman is correct in that observation, because, as the gentleman well knows, the other body wrote that section of the bill to meet their peculiar needs.

Mr. GROSS. Do I understand correctly that for all practical purposes the lid has been taken off super grades? How many super grades have been provided in this bill, may I ask?

Mr. JOHANSEN. If the gentleman will yield, my understanding is that it provides for an increase from 1989 to 2400, an increase of 411. In addition, it excludes from the limitation now in effect engineering, research, and development positions, and positions in the physical sciences, natural sciences, and medicine, which means withdrawal completely from those.

Mr. GROSS. The gentleman is speaking of Public Law 313, Scientific and Professional Employees?

Mr. JOHANSEN. I am.

Mr. GROSS. Neither the gentleman from Michigan [Mr. JOHANSEN], nor the gentleman from Iowa had anything to do with the fast conference that was held. We have to try to get some information from some source concerning this bill, and apparently we are going to get very little from those who ought to know.

Mr. JOHANSEN. If the gentleman will yield further, I think the gentleman recalls a conference in the last session in which we were conferees and we were successful finally in putting some kind of a lid on the increase in supergrades.

Mr. GROSS. Yes, and we thought we were making a concession in the pay bill that was reported out of the committee—I did not vote for it—a concession of 51 supergrades to be put into the civil service pool. We thought we were making quite a concession at that time. I am sure the gentleman remembers that.

Mr. JOHANSEN. The gentleman is right. The gentleman from Michigan did not vote for that, either.

Mr. GROSS. So there are 411 identifiable supergrades under this bill, and there may be 1,000 or more when the provisions dealing with Public Law 313 are taken into consideration.

Mr. JONAS. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. JONAS. I want to congratulate the gentleman from Iowa for asking these questions and to hold up his hands in the hope that he will get some information so that those of us who do not even have the privilege of serving on the committee will know what is in this conference report.

Mr. GROSS. I will say again to the gentleman. This bill in very few respects even resembles the bill upon which the committee held long and protracted hearings day after day; which was approved by the committee; and then died a strange death.

Mr. JONAS. The record ought to show also, if the gentleman will permit, that this House has never acted on a pay bill.

Mr. GROSS. That is exactly right.

Mr. JONAS. And we have never had an opportunity to debate one or find out what was in it.

Mr. GROSS. Mr. Speaker, this bill will increase the taxes on the public by raising postal rates by more than $600 million; it will increase the pay of Federal employees, including those of Members of Congress, by more than $1 billion; it will increase retirement and annuities by hundreds of millions of dollars, and last but not least it will increase the retirement paid to Members of Congress. This bill deals in $2½ billion; a major portion of it has never before been discussed in the House and yet it apparently will be approved in less than an hour with almost no explanation as to specific provisions.

Under these circumstances I have no alternative than to vote against it.

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. MURRAY. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. HOLIFIELD].

(Mr. HOLIFIELD asked and was given permission to revise and extend his remarks.)

Mr. HOLIFIELD. Mr. Speaker, I just want to make one point and that is about the necessity of raising the salary rates for Government employees. We are living in a dangerous world, in a world which needs specialists to do the job of government. The taxpayers are going to have to pay for these specialists under prime contract arrangements with defense industries or under the research, planning and management arrangements like the Federal Government has with the Rand Corp., MIT, California Institute of Technology, University of California and other university institutions throughout the United States where higher than civil service classification salaries are paid. This situation exists today and nothing you can do can change it because you have to have that type of skilled and trained manpower to do the job that needs to be done in this highly technical and scientific world today, if we are going to meet the challenge of communism.

I just want to say that if you gentlemen do not give to the Government the right to pay the salaries to get the people in Government to evaluate these highly complicated and scientific programs which the Government is financing to the tune of billions and billions of dollars, then you are going to have low-grade incompetent people passing judgment on programs which will waste uncounted billions of dollars.

I want to compliment the gentleman from Tennessee, chairman of this committee, for bringing forward a piece of legislation which is realistic on this point.

The SPEAKER. The time of the gentleman has expired.

Mr. MURRAY. Mr. Speaker, I yield such time as he may require to the gentleman from Virginia [Mr. BROYHILL].

Mr. BROYHILL. Mr. Speaker, time does not permit a lengthy discussion of this important legislation which is now pending before the House in the form of a conference report on a take-it-or-leave-it basis. This legislation is far short of being the kind of bill which we should have approved. The challenge was here but this Congress has failed to respond and has yielded to pressures on all sides so that in the closing minutes of this session we are forced to approve an inadequate bill which is, however, better that nothing at all.

This legislation will be characterized by its supporters as the greatest achievement in postal rate and Federal pay reform in half a century. But by those who have observed the dilatory tactics and the strong measures which have been taken to water down the postal rate bill and to deprive 1,600,000 postal and other Federal employees of their rightful and just compensation and to deny 600,000 civil service annuitants of adequate annuities, this bill will be known as the most dishonorable compromise of postal rate and Federal pay principles to be approved by the Congress in many years.

We had an opportunity—which apparently we have lost—to have enacted legislation in all areas covered by this bill of which we could have been justly proud, but rather the enactment of this measure will require lengthy legislative procedures during the next Congress to complete the job which we have only begun with the enactment of this legislation.

Had the President been more courageous, had the White House staff been less concerned with political advantage and more concerned with principles and had the Members of this Congress, in the other body as well as in this body, been more devoted to the ideals which were so eloquently expressed in the halls of this Congress last January, we could have approved legislation today which would have been a credit to our Nation in terms of fiscal responsibility and provided a just and fair compensation schedule for 1,600,000 Federal employees.

With respect to the postal rate provisions, last year the Postmaster General came before our committee and recommended increases in postal rates which were needed to eliminate a postal deficit amounting to over $800 million annually. As he marched up the hill, he described the great obligation Congress has to balance the postal budget; he called for fiscal integrity and responsibility in the affairs of the postal service; and he summoned his colleagues from other parts of the executive branch to help him in his objective to solve for once and for all the gigantic postal deficit which had been sought to be eliminated by his predecessors on many occasions. When the heat began to develop it became clear that the administration was stealing away silently in the fog of confusion. To the surprise of many Members of Congress the postal revenues in the compromise bill, which was finally endorsed by the administration, had been reduced over a hundred million dollars and they appeared willing to back down even further. The bill which was finally approved by our committee followed the administration's proposal in only one or two categories of mail. The first-class increase was not reduced nor was there a reduction in the proposed increase in airmail rates but in every other category the administration agreed to retreat from its original proposal. Even in its dissipated form, when the bill was presented to the Rules Committee, the administration sought to have a closed rule applied which would have prevented perfecting amendments on the floor.

The ignoble history of the rate bill was not yet over. It then came to rest in the Senate Post Office and Civil Service

Committee where it has languished in solitude since January of this year while every day that goes by the American taxpayer loses $2 million and the postal deficit goes up and up finally to be added to our national debt. Now when the autumn leaves begin to fall the postal rate bill reappears in the House after our colleagues in the other body have had more than 8 months to deliberate and to consider it.

In its resurrected form the postal rate bill now provides about $90 million less in annual revenues for the Post Office Department than was approved by the House of Representatives in January of this year. I am certain the conferees on the part of the House did all they could to maintain the position which was so strongly expressed by the House of Representatives and I deeply regret the necessity for our conferees to yield to the Senate and to deprive our postal service of much needed revenues.

Thus we have won only a partial victory against fiscal irresponsibility in terms of eliminating the postal deficit.

Let us examine briefly the other provisions of the bill which we are called upon today to approve or to disapprove—a bill which can neither be amended nor improved by the able members of our committee who spent many days in hearings and in deliberations on pay increases for postal employees and classified employees and in considering the important measures relating to increased annuities for retired Federal employees and their survivors.

It is clear from what the other body has done in connection with pay increases that they established an arbitrary ceiling on the amount of funds which could be spent and from that they constructed pay schedules for postal and other Federal employees without regard to actual need or salary comparability. In fact, the Senate ignored the President's recommendations in many respects concerning proper pay adjustments, particularly in the upper grades.

Of course, this discussion is rather academic because we are now faced with the question of approval or disapproval of the bill. I will support the pay provisions of the conference report because this is the only thing that can be done in order to give immediate pay adjustments to postal and classified and other Federal employees. However, I wish to make it clear that I believe the pay recommendations of the Post Office and Civil Service Committee of the House were superior in all respects to those which are contained in the conference report or in the bill which was approved by the Senate.

During our deliberations on postal pay increases, I proposed and secured the adoption of an amendment which preserved longevity credit for postal employees. I was pleased to learn that the Post Office Department reversed its position and now supports my amendment which is included in the provisions of the Senate bill and is in the conference report.

It is useless to point out those areas where increases should have been granted higher than those proposed in the conference report or in the Senate bill because the way in which this bill reaches the House there is nothing we can do except to take the Senate version of pay increases.

I earnestly hope that during the next session of Congress this matter will be fully explored and that proper adjustments will be made to bring the salaries of postal and other Federal employees in line with the recommendations of the House Post Office and Civil Service Committee in all levels in the postal service and all grades in the Classification Act.

Testimony before our committee was overwhelmingly in favor of the increases which were approved by our committee and all of the evidence presented to the committee showed a need for the kind of pay increases which we approved and the kind of flexibility which the administration had recommended in connection with pay adjustments. Unfortunately, the Senate version and the conference report do not contain all of these provisions relating to flexibility for administrative pay adjustments when such action becomes necessary.

In my judgment, it is pennywise and pound foolish for us to ignore appropriate and proper salary adjustments for our Federal employees who, under the terms of the conference report, will receive less compensation than their counterparts in private industry.

Statutory pay systems have failed to meet the needs of today's Federal service. Absence of an accepted standard for Federal salaries and a procedure for periodic review and adjustment coupled with rigid statutory rules of pay administration, deprive the systems of the adaptability so essential in a period of rapidly changing conditions.

Major inequities exist between the Federal employee and his equals throughout the national economy. Comparison can now be made directly between private salaries and those in the Classification Act, which has a broad occupational coverage having many counterparts in private employment. Findings of the Bureau of Labor Statistics national survey of professional, administrative, technical, and clerical pay reported in 1961 provide the data. This annual survey clearly shows that the greater the level of difficulty and responsibility, the greater the gap between public and private pay. Private salary averages consistently exceed Federal salaries. At the lower professional levels of GS–7 and GS–9, the difference is quite noticeable. For example:

National average rate in private enterprise	Classification Act rate range		
	Grade	Minimum	Maximum
$6,648	GS–7	$5,355	$6,345
7,776	GS–9	6,435	7,425

At the upper professional levels there is an even greater lag of Federal salaries:

National average rate in private enterprise	Classification Act rate range		
	Grade	Minimum	Maximum
$13,152	GS–13	$10,625	$11,935
$15,362	GS–14	12,210	13,510
$19,348	GS–15	13,730	15,030

Further evidence of this trend was furnished by the Civil Service Commission's 1960 study of salaries paid in 21 large nationwide firms for personnel, finance, research and development, law, and plant management positions with responsibilities equivalent to those of Federal positions in grades GS–16, GS–17, and GS–18. This study showed these serious disparities:

Federal Government		21 firms, major salary clusters
Grade	Salary range	
GS–16	$15,255–$16,295	$20,000–$30,000
GS–17	16,530–17,570	27,500–37,500
GS–18	18,500	32,500–45,000

Many State and local jurisdictions now have exceeded the Federal Government's pay rates. For example, California, Georgia, Illinois, Michigan, New York, Ohio, and Pennsylvania all have career salaries higher than the highest Classification Act and other top statutory salaries. The same is true of Los Angeles City and County, Denver, Detroit, the St. Louises, San Francisco, and Philadelphia. In cities with populations over 500,000, city managers average $22,950 and school superintendents average $25,869, about 25 and 40 percent, respectively, above the top Classification Act salary.

These are but a few of the reasons why the conference report does not completely solve the Federal employee pay problems.

The Senate included in this bill the provisions of the so-called Clark retirement bill which provides an increase of 5 percent in the annuities of retired civil service employees and their supervisors. Here again the House is in the distressing position of either accepting this amendment or depriving 600,000 civil-service annuitants of an upward adjustment in their annuities which is long overdue. Our committee determined that the increase in civil-service annuities should be at least 7½ percent, but unfortunately we could not negotiate this matter in conference because 5 percent was the highest amount which could be considered. This places Members of the House in a position of either voting for this provision as written or voting against the conference report in its entirety. Since it cannot be amended, I will support this provision with the understanding as I indicated in connection with the pay features of the bill that further consideration should be given this matter during the next Congress.

I have long advocated the principle that when pay adjustments are made for Federal employees similar adjust-

ments should be made in the annuities of retired Federal employees and their survivors. This is the policy which is followed in connection with the policemen and firemen of the District of Columbia. I am delighted that the Senate committee adopted a proposal which is in line with my recommendations and legislation which I have introduced to include increases in annuities for civil-service annuitants when pay increases are granted Federal employees.

With respect to the annuity portion of the bill there is a particularly meritorious provision which raises from $2,400 to $3,600 the portion of annuity to which the reduction of 2½ percent applies when electing survivorship benefits.

While the bill approved by the House Post Office and Civil Service Committee includes a number of other features which in my judgment are meritorious and omitted from the Senate bill and the conference report, I am supporting this measure because I recognize the practical impossibility of improving this legislation at this time.

As I stated at the outset this legislation is not the best we could have secured. Under present circumstances, the lateness of the hour, the manner in which this bill reaches the House, the failure of the Senate to act more promptly, the amount of pressures which have been brought to bear both in connection with postal rates and Federal pay and a host of other problems which have complicated an otherwise straightforward and proper course of action, it is rather futile to insist upon changes and improvements now in this important legislation .

Mr. Speaker, I shall support the conference report because I think it is a step forward in the direction of fiscal responsibility in the postal service and toward proper recognition of our dedicated and conscientious Federal employees for the important and vital activities which they perform above and beyond the call of duty daily throughout the world in the service of our Nation.

Mr. MURRAY. Mr. Speaker, I yield 4 minutes to the gentleman from Michigan [Mr. JOHANSEN].

(Mr. JOHANSEN asked and was given permission to revise and extend his remarks.)

Mr. JOHANSEN. Mr. Speaker, the temptation to "go along" with this three-in-one omnibus Federal pay-postal rate-retirement pay bill is very strong.

There is no question in my mind that H.R. 7927 is going to pass and be signed into law.

There is no question that some of the specific pay raises provided are justified. Indeed, I offered a 7-percent, across-the-board increase amendment in committee. There is undoubtedly a good case for the retirement pay increase and in different circumstances there could be much justification for postal rate increases, which I supported last January.

Under the kind of package deal provided here it is not surprising to find that it contains features which will greatly please the AFL–CIO on the one hand and the U.S. Chamber of Commerce on the other hand.

The former always wants pay increases and the latter has been clamoring for the rate increases for years.

The simplest, the easiest, and the pleasantest course is to take a deep breath, swallow hard, and vote "aye."

But, Mr. Speaker, there are some other very serious considerations.

All that I hope to do is to record a few of the more important ones.

First. We are setting some extremely dangerous precedents in the legislative procedures we are following in this matter.

During debate Monday on the resolution sending this bill to conference I stressed the fact that there has been no opportunity for any meaningful debate on the floor of the House with respect to two of the three major provisions of this omnibus bill. This is the case despite very lengthy and laborious hearings by the House Committee on Post Office and Civil Service on the pay bill together with subcommittee hearings on the retirement pay bill.

So far as Members of the House having any benefit from those hearings, it is "love's labor lost."

I think the gag rule procedure we are following is infinitely worse because this is a 3-in-1 deal to say the least. It involves three basically distinct and basically unrelated items of major legislation. In truth, it could be accurately said that it involves at least four such items of legislation because the usual procedure has been to consider the postal pay and the classified pay legislation in separate bills.

The irony of this procedure is further underscored by the fact that adherents of opposing views regarding the pay bill themselves are having to pay tribute in the form of tax dollars to secure what they believe desirable. Thus, the administration is having to acept larger pay increases in the lower grades in order to get the substantially higher increases it wants in the higher grades. Conversely, those who feel that the pay increases ought to be concentrated primarily in the lower grades are having to accept the excessive increases in the upper grades. This is the penalty for gag rule handling of pay legislation.

So much for the procedural precedents we are establishing today.

Second. Now let us direct attention to some of the substantive features of this omnibus legislation.

This House should understand that we are doing more in the pay section of this bill than merely increasing salaries. We are adopting a completely new and revolutionary philosophy of Federal pay—and we are doing it without any opportunity for meaningful debate of that philosophy.

Simply stated, this consists of the premise that Federal pay should be based on the principle of comparability with the pay scales of private enterprise. As was pointed out by critics of this principle during debate in the other body, this comparability base does not include the salary scale in other governmental units, particularly at the State level. Certainly this is a factor which should be carefully weighed if there is to be a valid comparability.

There is a further serious aspect involved in this comparability principle. We are tying the Federal pay system and scale to a private enterprise pay system and scale very gravely influenced by two inflationary factors. First of these factors is the pay increases—certainly sometimes excessive—imposed by union pressure. The other factor—and this relates particularly to the higher salary levels and to the pay scale of scientists and engineers—is the inflationary effects on private pay systems of the numerous and vast cost-plus contracts which the Government itself has with private enterprise.

I can envision as the effect of this comparability principle an extremely serious inflationary trend which will be reciprocal as between Government and private enterprise pay systems with the result that the sky will be the limit for both.

Third. As I mentioned during the debate on Monday, the House should be on notice that this pay legislation, if enacted, sets the stage for very substantial pay increases next year at the top of the classified pay system, in the Executive Pay Act, and in the salaries of the Federal judiciary and Members of Congress. There is not the slightest question that this is the intention and there is not the slightest question in my mind that the pressures for such increases in the next Congress will be irresistible.

In that connection I cite the following statement in the Senate committee report on this bill. After pointing out that this bill eliminated the administration proposal for new grades GS–19 and GS–20, the committee said:

> The committee does not disagree with the objectives of the administration's bill in these respects. Rather than establishing grades GS–19 and GS–20, however, the committee believes that appropriate salary levels for the relatively few career positions of this order can be determined in a more appropriate manner if done in conjunction with a reform of top level executive salaries which were not included in the proposals submitted by the President and a consideration of the executive pay problem in its full dimensions at one time rather than by treating one part now and the rest later. * * *
>
> Consequently the committee urges the President to recommend for consideration at the next session of Congress appropriate increases in Federal executive salaries at all levels. Such a recommendation should include salaries for all ranks up through the levels of heads of executive departments. In addition, it should include proposals for a rational relationship between executive salaries under the Executive Pay Act and those under other Federal schedules.

Obviously, the stage is being set for substantial financial reward for top officials of Government who have demonstrated their total incapacity for achieving governmental solvency. In a word, we are to reward ourselves for our consistent record of deficit financing.

Fourth. This leads me to my final observation. This entire legislation is a sorry commentary on fiscal inconsistency.

On the heels of the Government's refusal to permit a 5-percent price increase for the steel industry, we are voting a 25-percent price increase for first-class mail and substantial price increases for the other classes of mail.

We match a purported effort to balance the budget of the Post Office Department through rate increases with an offsetting increase in the labor costs of the Department. At the same time, key leaders of this administration openly proclaim that in present circumstances increasing deficits are in order in the overall operations of the Federal Government. And we add to those deficits by a billion-dollar pay increase. At the same time we are experiencing alarming increases in the number of Federal employees, some 160,000 in 19 months, and this bill further removes manpower ceilings.

We have already voted one tax cut and propose to consider very substantial additional tax cuts next year—which will further greatly increase the national deficit—and, at the same time, through postal rate increases we add substantially to the cost of business and particularly of small business.

Meanwhile, so far as the retirement pay program is concerned, we add to a retirement program which already has an unfunded liability of $33.7 billion a further increase of $1.6 billion of unfunded liability.

What kind of fiscal insanity is this? Where are we headed?

Again I say, the simple, easy, pleasant course is to "go along" with what is apparently inevitable. However, there is another inevitability that concerns me—to wit, the consequences of the fiscal policies of this Administration and this Congress to the economic security and survival of this Nation.

I remind this House of a statement attributed to a Swiss banker by the eminent columnist Constantine Brown writing earlier this year:

> The core of your trouble is the frenzied public expenditures and your inability to come near to balancing your budget. * * * If you were not such a wealthy country you would be rated according to all banking standards as a poor credit risk. * * * I believe that unless you trim your sails considerably in domestic and foreign expenditures you are facing the most serious crisis in your existence. And should this occur you will drag us down with you.

It is out of concern over these consequences that I shall vote "no" on this legislation.

Mr. MURRAY. Mr. Speaker, I yield 3 minutes to the gentleman from Nebraska [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Speaker, I want to comment on section 305 of this conference report, which is entitled "Communist Political Propaganda." The House had a very strong, well thought-out section in its bill known as section 12, the so-called Cunningham amendment. Like the House version I want to say that this amendment in the conference report is a very strong and worthwhile amendment to stop the free delivery of Communist propaganda in the United States by our postal system. In my opinion it will stop at least 95 percent of Communist political propaganda from being delivered in the United States. It is going to be easily administered; it is going to stop this vicious material from coming into this country and being delivered free. Section 305 of the conference report accomplishes the same thing as would section 12 in the House-passed version.

I certainly want to congratulate all of the Members of the House for the position they have taken in support of the House position, and I should like to express my appreciation to the Members of the Senate who also recognized this problem and strongly supported the House position. This conference report represents a 100-percent victory as far as stopping this material coming from overseas and being delivered is concerned.

There is one small area having to do with Communist propaganda issued by the Soviet Embassy in this country and delivered to addressees in this country which is not covered. However, this is a rather minor matter, and it can be given consideration later. So I say the language in this conference report is very strong, it will stop the free delivery and the entry through the postal system of at least 95 percent of this vicious Communist propaganda coming in from abroad. The main reason I say 95 percent is because it does make provision for certain Government agencies and universities to receive it to answer a legitimate problem that is so that they may study this material and do research on it.

Mr. Speaker, I am wholeheartedly in support of the strong language that is in the conference report.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Mr. Speaker, I want to congratulate the gentleman on the time he has spent in working on this very difficult problem. Those of us who have been interested in accomplishing what we hope this language will accomplish have always been fearful we would run into constitutional objections. The language in the instant measure that the Committee on Un-American Activities included in its bill, we feel sure, meets that objection. However, I have always felt that maybe the committee leaned over too far in anticipating what the Supreme Court would do. After all, nobody can foresee what the Supreme Court will ever do in any case.

(Mr. WALTER asked and was given permission to revise and extend his remarks.)

Mr. MURRAY. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. ROUSSELOT].

[Mr. ROUSSELOT addressed the House. His remarks will appear hereafter in the Appendix.]

(Mr. ROUSSELOT asked and was given permission to revise and extend his remarks.)

Mr. BECKWORTH. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Texas.

Mr. BECKWORTH. Mr. Speaker, I wish to associate myself with the remarks of the gentleman from Pennsylvania [Mr. WALTER], the distinguished chairman of the House Un-American Activities Committee, in regard to the diligent efforts which have been made by our colleague, the gentleman from Nebraska [Mr. CUNNINGHAM], to make sure that Communist propaganda is kept out of the U.S. mails. I have contacted Mr. CUNNINGHAM many times in connection with his efforts. Had it not been for the staying qualities of the gentleman from Nebraska, the language would have been much less strong than it is as now written. The House Post Office and Civil Service Committee on which I have the privilege to serve, approved the original Cunningham amendment; I voted for it. Representative CUNNINGHAM has made many contacts in the House and Senate. I emphasize that Representative CUNNINGHAM has spent hours and hours in pressing for the adoption of a strong anti-Communist mail amendment. He has succeeded in a great way. I commend him once again.

Mr. MURRAY. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey [Mr. WALLHAUSER].

Mr. WALLHAUSER. Mr. Speaker, the rate bill passed this House on January 24, 1962. Many of its provisions are well understood by us. Those that are not will be better understood from personal experience after January 7, 1963, when the new rates go into effect. Therefore, I would like to address myself briefly to the pay rates section of the report.

Mr. Speaker, I would like to point out specifically that the report on which the salary increases were recommended was made and filed in late 1961, based upon figures brought out in 1960. While some constructive comparability has been attained in this field in this measure, by the time the final section goes into effect on January 1, 1964, it will be 3 years out of date. So, therefore, I say to the Members of the House, Mr. Speaker, we are not giving a reward today. What we are doing when we vote for this report is to correct a gross inequity, so far as we are able to, to assist our dedicated Federal employees and retirees in their efforts to maintain their dignity and a decent standard of living to which they are entitled as first-class citizens.

Mr. Speaker, it seems to me that tonight, as we go to bed, those of us who vote for this bill will be able to sleep a little better.

Mr. CUNNINGHAM. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count.

Mr. CUNNINGHAM. Mr. Speaker, I withdraw the point of order.

Mr. MURRAY. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. DERWINSKI].

(Mr. DERWINSKI asked and was given permission to revise and extend his remarks.)

Mr. DERWINSKI. Mr. Speaker, what I hope to do in the brief time allotted me is review the remarks of previous

speakers and to pull this entire bill into sharp focus.

First of all, regardless of what may be said, this is a Dr. Jekyll-Mr. Hyde creation. A pay raise to many Federal employees is overdue. A pay raise to others is unjustified. The bill does not present the long overdue reevaluation of Federal manpower practices. But at the same time it is a bill which we know must be passed. The facts of life dictate its passage. So, we are in effect passing an imperfect bill, with full realization of its virtues and defects.

Mr. Speaker, this bill perpetuates the inequities in the present Federal salary schedules and with reference to Federal personnel policies. The Federal employees deserve to have a sound, long-range salary structure without having to depend on the whims of Congress in election year periods. This is especially so of the Post Office Department, where politics is a traditional disrupting factor.

Mr. Speaker, one of the good features in this bill is the Cunningham amendment. I am surprised that it was kept in as good form as it has been. Certainly it was necessary for the Congress to include this amendment to correct the tragic blunder the President committed in March 1961, when he permitted the Communists to flood the country with unsolicited propaganda. Another noteworthy provision in the bill is the increase in the annuities for retired Government workers. The increase in the cost of living caused by excessive Government spending has deprived them of the purchasing power of their fixed income. However, as a further example of the bill's inconsistencies, even with the passage of the bill, post office employees—the average carrier, the average clerk, in my district, will still be underpaid, and will still have financial problems.

In many other parts of the country a post office position is a prize possession. Postal positions are sought after. But this bill does not take into account the cost of living in metropolitan areas that adversely affects the career postal employee. This is one of the reasons why pay raise legislation should not follow an across-the-board principle. I would suggest to the Congress that we start working in 1963 and come up in 1964 with an intelligent, long-range reevalution of the Federal salary and personnel structure. If we do not meet this obligation in 1964 we will continue a disservice to the employees and in the process the public is not served, either.

One point that the gentleman from Iowa [Mr. GROSS] raised, should be repeated; that is, that the largest increases in salaries go to the political appointees. They do not go to the career employees. They do not go to the man who has given his lifetime to public service. They go to the political appointees who are serving, not to advance the cause of the entire Federal operation, but merely to serve a short-sighted political end. This is another inequity in the bill.

One of the tragedies in the election year salary bills is the manner in which the representatives of Federal employee groups, especially postal department organizations, betray their members for short-sighted purposes. The only way that we can improve the operation of Federal Government agencies is to encourage career personnel to remain in this service so that we might benefit from their experience and knowledge. Adjustments in pay schedules that depend on the election year fancy of the Congress is hardly an adequate system of keeping skilled career personnel.

May I also point out a very dangerous precedent set in this legislation. That is the coupling of the salary with the rate bill. The increase in first-class and air mail will not meet with much public opposition this year, but for practical purposes, we have reached the ceiling of increases within those categories. The second- and third-class rate increases will be absorbed by the users of the mail, but again future increases will be most difficult to come by. The claim is made that the increase in postal rates exceeds the cost of the postal salary increases, and, therefore, the two justify each other. Does this mean that future salary increases for postal employees will come only as rates are increased?

I hope I have given the Members food for thought as we move to pass this conference report. Certainly, our Post Office and Civil Service Committees should give immediate attention to these questions as soon as the next Congress convenes.

CALL OF THE HOUSE

Mr. CUNNINGHAM. Mr. Speaker, I renew my point of order that a quorum is not present.

The SPEAKER pro tempore (Mr. WALTER). Evidently a quorum is not present.

Mr. PIKE. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 277]

Adair	Gubser	Reifel
Alexander	Hall	Reuss
Andersen, Minn.	Hansen	Rogers, Tex.
	Harding	Roosevelt
Anfuso	Harrison, Va.	Saund
Aspinall	Harvey, Ind.	Scherer
Avery	Hays	Schwengel
Bailey	Hébert	Scott
Baring	Hiestand	Scranton
Bass, N.H.	Hoeven	Seely-Brown
Belcher	Hoffman, Ill.	Shelley
Bell	Hoffman, Mich.	Sheppard
Bennett, Mich.	Kearns	Shipley
Berry	Kee	Short
Blitch	Kilburn	Siler
Bolling	King, Utah	Sisk
Boykin	Knox	Slack, Jr.
Breeding	Laird	Smith, Calif.
Bromwell	Loser	Smith, Miss.
Brown	McDonough	Smith, Va.
Burke, Ky.	McIntire	Spence
Carey	McSween	Sullivan
Celler	McVey	Teague, Calif.
Chiperfield	MacGregor	Thompson, N.J.
Clark	Magnuson	Thornberry
Curtin	Maillard	Ullman
Dawson	Michel	Van Pelt
Denton	Miller, Clem	Vinson
Derounian	Miller, George P.	Watts
Dingell		Weis
Dominick	Moulder	Whalley
Dooley	Nedzi	Whitener
Elliott	O'Brien, Ill.	Williams
Findley	O'Konski	Wilson, Calif.
Fogarty	Peterson	Wright
Frazier	Poage	Zelenko
Garland	Powell	
Griffiths	Rains	

The SPEAKER. On this rollcall 324 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CORRECTION OF ROLLCALL

Mr. BECKER. Mr. Speaker, on rollcall No. 276, I am recorded as being absent. I was present and answered in the affirmative when my name was called, and I ask unanimous consent that the permanent RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BECKWORTH. Mr. Speaker, on rollcall No. 270, I am recorded as not having answered to my name. I was here and answered to my name, and I ask unanimous consent that the permanent RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

POSTAL SERVICE AND FEDERAL EMPLOYEES SALARY ACT OF 1962

Mr. MURRAY. Mr. Speaker, I yield 4 minutes to the gentleman from Montana [Mr. OLSEN].

(Mr. OLSEN asked and was given permission to revise and extend his remarks.)

Mr. OLSEN. Mr. Speaker, as has already been said and repeated, this is not a perfect bill. But it is the best that we can get accomplished at this session. I regret that we have not been able to meet the new standards that we have attempted to meet, which would be comparability. I regret that in the lower brackets and in the higher brackets we have in every instance failed to raise the Federal pay and the postal pay schedules to that comparable paid to employees in private industry who have similar responsibilities and who perform similar work.

We are indeed, with the figures at which we have arrived, at least 3 years late—at least 3 years late. So, we are not even catching up in our responsibilities to pay Federal employees and postal employees comparable to what they should be paid, if their responsibilities and their chores are compared with private industry.

Mr. Speaker, in the lower grades I have always contended that Uncle Sam should be the best kind of an employer. He should not pay any better than, but he should pay as good as the better wages and the better salaries of industry. In the higher brackets, of course, we cannot expect the Government to pay the same type of compensation which is paid in the higher brackets of industry. But in this bill, as has been said, we have done the best we can and I think it is a good job. But I do regret that we have been so tardy in increasing the annuities payable to retirees. I think that the in-

crease should have been a good deal more. I regret, too, that of all the people who are to realize some increase in benefits or increase in pay in this bill, the people who least can afford to wait are having to wait the longest, and they are the retirees. Indeed, the retirees will get an increase, but they will not get it until next year. They will not get their increase until the Committee on Appropriations can meet and can vote that increase. I assume that the Committee on Appropriations will vote the increased appropriation to apply as of the effective date of the bill, January 1, 1963.

Finally, Mr. Speaker, as my dear friend, the gentleman from Louisiana has said a few days ago, this is our only opportunity. If we are in favor of paying just wages and just salaries to Federal employees and postal employees, and somewhere near a rightful annuity to the Federal employees, this is our only opportunity. If we are in favor of improving these standards, we will vote for this bill. If we are against an improvement in these benefits and these standards, we will vote against this bill. This is our only opportunity. I shall vote for the bill and I recommend to my colleagues that you vote for the bill.

I hope that next year we can provide a more adequate increase of annuities for the widows, especially those who are receiving less than $50 per month.

Now let us pass this bill today.

Mr. MURRAY. Mr. Speaker, I yield 2 minutes to the gentleman from Louisiana [Mr. MORRISON].

(Mr. MORRISON asked and was given permission to revise and extend his remarks.)

Mr. MORRISON. Mr. Speaker and Members of the House, we have now come to the final decision on this pay raise legislation. Those who are opposed to this legislation have tried to bring up confusion as a reason to be against this bill and argue about the way the hearings were held and the way the bill was reported out.

Mr. Speaker, I do not know of any bill that has been before this House at this session where there were more witnesses or more hearings or where the entire subject was gone into to the fullest extent, than this bill which was reported by the Committee on Post Office and Civil Service. The same thing applies to the other body.

The other body passed this bill out of its committee by an overwhelming majority of the members of that committee. This bill is just about the same bill in the form that you find it now as the Senate passed it. The House bill which was passed out of our committee by an overwhelming majority is about 90 to 95 percent of the bill in conference and the compromise which is now before the House. So I say this: The Senate has passed the bill; those who are for giving the Federal employees equal pay as compared to those in like jobs in private industry will vote for this conference report. If you are for giving the Federal employees a fair and reasonable wage as compared to similar jobs in private industry, then you are for this bill. If you are not, then you should vote against the bill.

Mr. SANTANGELO. Mr. Speaker, will the gentleman yield?

Mr. MORRISON. I yield.

Mr. SANTANGELO. Mr. Speaker, I want to commend the gentleman and the committee for coming here with a bill which will finally give a fair wage to Government employees and to postal workers. I associate myself with the gentleman in his remarks.

Mr. MORRISON. I thank the gentleman. Members can now vote either yea or nay exactly how they feel about this bill. I feel sure it will pass by an overwhelming majority.

Mr. WAGGONNER. Mr. Speaker, I reluctantly rise in support of this legislation with the same reservation I have on nearly every bill we consider here in the House. I recognize that this is far from being a perfect bill, but after months of study and consideration of it, I am persuaded that the good outweighs the parts I, personally, would just as soon were not included.

Since we must either vote for or against the entire bill as it now stands, I will have to cast my vote for it. It comes to us in the form of a conference report and we cannot make any amendments or alter it in any way.

There is justification for approval of this measure because of a number of factors involved and I mention only a few.

First of all, and this is one of the really important, if not the most important consideration here, we are able with this bill to establish a program under which Communist political propaganda coming into the United States from foreign countries would be intercepted and would be delivered only upon the request of the addressee. This bill expressly provides that mail matter, especially sealed letters originating in a foreign country, which is determined to be Communist political propaganda will be detained by the Post Office. I have never been in favor of our subsidizing the propaganda of the Communist countries and with this bill, we are finally taking a strong stand against it.

Who can possibly oppose this? Some things in this life have more value than the dollar.

This is a bill which, finally, involves long-needed salary reform. Some people will actually have their salary cut. The adjustments which are being made here are the result of a study begun in 1959, comparing the compensation of Federal employees with those in private industry doing the same or similar work.

I think the postal workers, for instance, are not receiving wages comparable to industry and if we are going to make more and more demands on the post office, as we do every year, for increased and improved services, then we have to pay for it.

We cannot be put in the position of penalizing people for working for the Federal Government.

It is not reasonable to hold Government employees at fixed salaries, yet allow industry, year after year, to raise the salaries of their employees. The cost of living creeps up every month and, if we are to keep qualified men on the job, we are going to have to keep a respectable ratio established.

The rising cost of living affects the elderly retired folks even more than it does those who are still laboring. This bill corrects a very serious situation with them, too.

This measure has the support of such diverse groups as the U.S. Chamber of Commerce, the National Association of Manufacturers and Tax Foundation, Inc. It is widely supported by the management of many of our largest industries.

The Senate vote of 78 to 3 indicates complete bipartisan support and I think the vote here in the House will reflect that same attitude.

There will be, no doubt, those who will be able to pick at the bill and find flaws in it. I do myself. I am not satisfied with the section that raises the postal rates. Some raises are too much; some are too little. But under the rules for consideration of the measure, the bill cannot be amended so the final question for all of us to consider is: does the good outweigh the bad?

As Members of Congress, we serve as the employer of every Federal employee and we must answer that question.

I have examined this bill and it is my opinion that the good outweighs the doubtful provisions.

Therefore, I am casting my vote for it.

Mr. ELLSWORTH. Mr. Speaker, the gentleman from Louisiana is exactly right, and as a membor of the Post Office and Civil Service Committee, I can testify that our committee worked long and hard over a period of months here in the House to develop this much-needed legislation.

The measure we have today passed in the House of Representatives is an excellent bill, embodying both necessary postage rate revision and equitable, essential pay reform. It is a major step forward in Federal pay policies, incorporating the long-neglected philosophy of comparable pay for comparable work.

Certainly it is in the best interests of all of our citizens individually and the Nation as a whole to assure the presence in the Post Office Department and the Federal Civil Service of the highest caliber employees, and this outstanding pay reform legislation is definitely a step in the right direction.

I have been privileged to have been able to fight for this bill from the beginning, both in the Committee on Post Office and Civil Service and on the floor of the House, and I am proud of my role in obtaining for our valued Federal employees a pay revision commensurate with their outstanding service to the citizens of the United States.

Mr. MURRAY. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Speaker, I do not imagine I shall add anything to my popularity either here or at home, by this speech, but I feel under some obligation to state the facts. Mr. Speaker, this bill started out as a revenue-raising bill, to get the deficit cut down in the operation of the Post Office Department. I supported that legislation on the floor of this House. It went over to the other

body and now has come back with a pay increase for Federal employees.

Here are the facts, and if you are interested I hope you will listen. This bill, if you pass it, and you are going to pass it, because of the popular appeal and the lobbying of the Federal employees, will bring in revenue of $600 million under the increased rates for postage. Its cost will be $1,108 million, or an additional deficit to be added to the current deficit of $508 million a year. In other words the net result of this legislation is that the taxpayers in addition to paying higher postages rates will be taxed an additional $508 million. Those of you who talk about fiscal responsibility, those of you who talk about trying to save this Government, who are opposed to inflation, had better take a look at this situation and what you are doing. Like you, I would like to support this, but I cannot do so, in good conscience.

Mr. SCHADEBERG. Mr. Speaker, it is with regret that this House cannot, with responsibility, meet its obligation to the postal workers. It is difficult to believe that it is necessary to bring a bill to the House floor so important to the welfare of those who serve us in Government in the closing days of this session of Congress under pressure of time and circumstance that certainly do not work in the best interest of either the Government or the people involved.

There are many things I do not like in the bill but I shall support the bill as the best we can expect from this 87th Congress. I have spoken to various members of the committee about the deficiencies in this legislation and am sorry that we did not consider the bill of significant proportion enough to have given it priority in the earlier days of the session.

My foremost objection to this bill is that the ones who need an increase in pay most are those who are the recipients of the least increase. I do not feel we can justify an increase of $3,460 to one group of Government workers whose annual income is $15,810 over that of a mail carrier who, having equal years of service and whose annual salary is $3,920, receives an increase of but $120.

While it is understood the employee receiving $15,810 has a responsibility greater than that of the employee who earns $3,920 the adverse conditions under which a postal carrier fulfills his duty, is not to be compared with the relative ease in which the $15,810 employee fulfills his duty, yet the increase in annual pay to the $15,810 employee is only $460 less than the annual pay of the carrier.

The second objection I have to the bill is that the pay increase for the carrier is tied to the postal rate increase. When this House set the minimum wage for a worker in private industry at $1.15 per hour, there was no suggestion that he may or may not earn it. Yet we insist that the postal workers' wage be tied to increase in the cost of handling mail.

My third objection to the bill is that it provides for pay increases in stages rather than an increase needed now.

I trust we will take a serious look at salaries of Government and postal employees next year before personal political considerations are associated with the decisions.

Mr. ROUSSELOT. Mr. Speaker, I rise in support of the conference report on H.R. 7927, a bill to increase the postal rates and Federal employee salary benefits. I do this with a real sense of regret, not for the very well deserved classes of the postal workers, especially at the lower levels, or the needed tightening of the distribution of Communist mail in this country or because of the adjustment in postal rates for those classes of mail which have not been fully paying their share of Post Office expenses, but primarily because this is a poor method of legislating very important increases for all of our Federal employees without proper consideration of the impact that this bill will have on our Federal budget.

I especially wish to commend my good colleague from Nebraska with whom I personally worked in committee to include section 305 which provides a good method for screening out Communist political propaganda distributed in this country. The gentleman from Nebraska, Congressman CUNNINGHAM, was gracious enough to allow me to work with him in committee to see that this was included in the original postal rate adjustment bill and finally, to make sure that the Senate sustained the House position on this very important section. This action to screen Communist propaganda in no way denies adequate constitutional protection to those in the printing business and/or foreign organizations who care to distribute appropriate literature in this country.

However, it does allow the Postmaster General and the Attorney General to move vigorously to prevent the heavy impact of insidious Communist propaganda in this country and lessens the possibility of free postage to overseas Communist organizations. The gentleman from Nebraska, Congressman CUNNINGHAM is to be commended for his unceasing effort to maintain this section in the bill and we are all aware how many forces worked equally with diligence to remove this needed screening process.

I introduced, earlier in the session, H.R. 9455, which was very similar in nature to Congressman CUNNINGHAM'S provisions and I am pleased that those of us on the committee who worked with the gentleman from Nebraska, Congressman CUNNINGHAM, were successful on a very close vote in including this in the bill. I am not sure the other body would have done the same had the House not insisted on this important amendment.

Mr. Speaker, I would like to make the further point that it is the postal workers who once again are carrying this bill through the Congress because the overwhelming number of American people realize how deserved their increases are. Unfortunately, other Government employee organizations are receiving unmerited increases in this bill and are riding the coattails of fair and just increases for our postal service. I am not saying there are not increases merited in other Federal systems of employment because there are, but the postal workers' salary participation lags far behind other Government services.

I think it is unfair that the sentiment behind proper increases for the postal service should be responsible for carrying through unmerited increases in other Federal services. I expressed this objection in committee, and I express it now.

Mr. MURRAY. Mr. Speaker, I have no further requests for time.

CALL OF THE HOUSE

Mr. CONTE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. MURRAY. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 278]

Adair	Gubser	Powell
Alexander	Hall	Rains
Anfuso	Hansen	Reifel
Aspinall	Harding	Reuss
Avery	Harrison, Va.	Rogers, Tex.
Bailey	Harvey, Ind.	Roosevelt
Baring	Hays	Saund
Bass, N.H.	Hébert	Scherer
Belcher	Hiestand	Schwengel
Bell	Hoeven	Scott
Bennett, Mich.	Hoffman, Ill.	Scranton
Berry	Hoffman, Mich.	Seely-Brown
Blitch	Jones, Mo.	Sheppard
Bolling	Kee	Shipley
Boykin	Kilburn	Short
Brademas	King, Utah	Siler
Breeding	Knox	Smith, Calif.
Bromwell	Laird	Smith, Va.
Brown	Loser	Spence
Burke, Ky.	McDonough	Sullivan
Celler	McIntire	Teague, Calif.
Chiperfield	McSween	Thompson, N.J.
Curtin	McVey	Thornberry
Dawson	MacGregor	Ullman
Derounian	Magnuson	Utt
Dingell	Michel	Van Pelt
Dominick	Miller, Clem	Vinson
Dooley	Miller	Watts
Elliott	George P.	Weis
Evins	Nedzi	Whalley
Findley	Norblad	Whitener
Fogarty	O'Brien, Ill.	Williams
Frazier	O'Konski	Wilson, Calif.
Garland	Peterson	Yates
Griffiths	Poage	Zelenko

The SPEAKER. On this rollcall, 325 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

POSTAL SERVICE AND FEDERAL EMPLOYEES SALARY ACT OF 1962

The SPEAKER. The question is on the conference report.

The question was taken; and on a division (demanded by Mr. JOHANSEN) there were ayes 205, noes 15.

Mr. JOHANSEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 312, nays 20, answered "present" 2, not voting 101, as follows:

[Roll No. 279]

YEAS—312

Addabbo	Gonzalez	Murray
Albert	Goodell	Natcher
Alford	Goodling	Nelsen
Andersen, Minn.	Granahan	Nix
	Grant	Norblad
Anderson, Ill.	Gray	Norrell
Andrews	Green, Oreg.	Nygaard
Arends	Green, Pa.	O'Brien, N.Y.
Ashbrook	Griffin	O'Hara, Ill.
Ashley	Gubser	O'Hara, Mich.
Ashmore	Hagan, Ga.	Olsen
Auchincloss	Hagen, Calif.	O'Neill
Ayres	Haley	Osmers
Baker	Halleck	Ostertag
Baldwin	Halpern	Passman
Barrett	Hardy	Patman
Barry	Harris	Pelly
Bass, Tenn.	Harrison, Wyo.	Perkins
Bates	Harsha	Pfost
Battin	Harvey, Mich.	Philbin
Becker	Healey	Pike
Beckworth	Hechler	Pilcher
Bennett, Fla.	Hemphill	Pillion
Betts	Henderson	Pirnie
Blatnik	Herlong	Powell
Boggs	Holifield	Price
Boland	Holland	Pucinski
Bolton	Horan	Purcell
Bonner	Hosmer	Quie
Bow	Huddleston	Randall
Brademas	Hull	Reece
Bray	Ichord, Mo.	Rhodes, Ariz.
Brewster	Inouye	Rhodes, Pa.
Brooks, Tex.	Jarman	Riehlman
Broomfield	Jennings	Riley
Broyhill	Jensen	Rivers, Alaska
Bruce	Joelson	Rivers, S.C.
Buckley	Johnson, Calif.	Roberts, Ala.
Burke, Mass.	Johnson, Md.	Roberts, Tex.
Byrne, Pa.	Johnson, Wis.	Robison
Byrnes, Wis.	Jones, Ala.	Rodino
Cahill	Judd	Rogers, Colo.
Cannon	Karsten	Rogers, Fla.
Casey	Karth	Rooney
Cederberg	Kastenmeier	Rosenthal
Chamberlain	Kearns	Rostenkowski
Chelf	Keith	Roudebush
Chenoweth	Kelly	Roush
Clancy	Keogh	Rousselot
Coad	Kilgore	Rutherford
Cohelan	King, Calif.	Ryan, Mich.
Collier	King, N.Y.	Ryan, N.Y.
Conte	Kirwan	St. George
Cook	Kitchin	St. Germain
Cooley	Kluczynski	Santangelo
Corbett	Kornegay	Saylor
Corman	Kowalski	Schadeberg
Cramer	Kunkel	Schenck
Cunningham	Kyl	Schneebeli
Curtis, Mass.	Landrum	Schweiker
Daddario	Lane	Selden
Dague	Langen	Shelley
Daniels	Lankford	Shriver
Davis, James C.	Latta	Sibal
	Lennon	Sikes
Davis, John W.	Lesinski	Sisk
Davis, Tenn.	Libonati	Slack
Delaney	Lindsay	Smith, Calif.
Dent	Lipscomb	Smith, Iowa
Derwinski	McCulloch	Smith, Miss.
Diggs	McDowell	Springer
Dole	McFall	Stafford
Donohue	McMillan	Staggers
Dorn	Macdonald	Steed
Dowdy	Mack	Stephens
Downing	Madden	Stratton
Doyle	Mahon	Stubblefield
Dulski	Mailliard	Taylor
Durno	Martin, Mass.	Teague, Tex.
Dwyer	Mason	Thomas
Edmondson	Mathias	Thompson, Tex.
Ellsworth	Matthews	Thomson, Wis.
Everett	May	Toll
Fallon	Meader	Tollefson
Farbstein	Merrow	Trimble
Fascell	Miller, N.Y.	Tupper
Feighan	Milliken	Udall, Morris K.
Fenton	Mills	Utt
Finnegan	Minshall	Vanik
Fino	Moeller	Van Zandt
Flood	Monagan	Waggonner
Flynt	Montoya	Wallhauser
Forrester	Moore	Walter
Fountain	Moorehead, Ohio	Weaver
Frelinghuysen		Westland
Friedel	Moorhead, Pa.	Wharton
Fulton	Morgan	Whitten
Gallagher	Morris	Wickersham
Garland	Morrison	Widnall
Garmatz	Morse	Willis
Gary	Mosher	Wilson, Ind.
Gavin	Moss	Wright
Giaimo	Moulder	Young
Gilbert	Multer	Younger
Glenn	Murphy	Zablocki

NAYS—20

Abbitt	Devine	Marshall
Abernethy	Fisher	Martin, Nebr.
Alger	Ford	Poff
Beermann	Gathings	Taber
Burleson	Gross	Tuck
Colmer	Johansen	Winstead
Curtis, Mo.	Jonas	

ANSWERED "PRESENT"—2

Church	Ray

NOT VOTING—101

Adair	Frazier	Poage
Alexander	Griffiths	Rains
Anfuso	Hall	Reifel
Aspinall	Hansen	Reuss
Avery	Harding	Rogers, Tex.
Bailey	Harrison, Va.	Roosevelt
Baring	Harvey, Ind.	Saund
Bass, N.H.	Hays	Scherer
Belcher	Hébert	Schwengel
Bell	Hiestand	Scott
Bennett, Mich.	Hoeven	Scranton
Berry	Hoffman, Ill.	Seely-Brown
Blitch	Hoffman, Mich.	Sheppard
Bolling	Jones, Mo.	Shipley
Boykin	Kee	Short
Breeding	Kilburn	Siler
Bromwell	King, Utah	Smith, Va.
Brown	Knox	Spence
Burke, Ky.	Laird	Sullivan
Carey	Loser	Teague, Calif.
Celler	McDonough	Thompson, La.
Chiperfield	McIntire	Thompson, N.J.
Clark	McSween	Thornberry
Curtin	McVey	Ullman
Dawson	MacGregor	Van Pelt
Denton	Magnuson	Vinson
Derounian	Michel	Watts
Dingell	Miller, Clem	Weis
Dominick	Miller, George P.	Whalley
Dooley		Whitener
Elliott	Nedzi	Williams
Evins	O'Brien, Ill.	Wilson, Calif.
Findley	O'Konski	Yates
Fogarty	Peterson	Zelenko

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Wilson of California.
Mr. Anfuso with Mr. Derounian.
Mr. Celler with Mr. Brown.
Mr. George P. Miller with Mr. Berry.
Mr. Ullman with Mr. Michel.
Mr. Aspinall with Mr. Knox.
Mr. Sheppard with Mr. Hoffman of Illinois.
Mr. Shipley with Mr. Short.
Mr. Roosevelt with Mr. Findley.
Mr. Hays with Mr. Siler.
Mr. Thompson of Louisiana with Mr. O'Konski.
Mr. Zelenko with Mr. Bennett of Michigan.
Mr. Burke of Kentucky with Mr. Avery.
Mr. Denton with Mr. McIntire.
Mr. Peterson with Mr. Laird.
Mr. Alexander with Mr. Curtin.
Mr. Rogers of Texas with Mr. Bell.
Mr. Carey with Mr. Schwengel.
Mr. O'Brien of Illinois with Mr. Van Pelt.
Mr. Clem Miller with Mr. Hiestand.
Mr. Dingell with Mr. Kilburn.
Mr. Nedzi with Mr. MacGregor.
Mr. Breeding with Mr. Belcher.
Mr. Loser with Mr. Hoeven.
Mr. Magnuson with McDonough.
Mr. Rains with Mr. Scherer.
Mr. Watts with Mr. Bromwell.
Mr. Thompson of New Jersey with Mr. Adair.
Mr. Bailey with Mr. Hall.
Mr. Reuss with Mr. Reifel.
Mr. Fogarty with Mr. Teague of California.
Mr. Scott with Mr. Harvey of Indiana.
Mrs. Sullivan with Mr. Dominick.
Mr. Thornberry with Mr. Scranton.
Mr. Yates with Mr. Bass of New Hampshire.
Mr. Williams with Mr. Dooley.
Mr. Baring with Mr. Chiperfield.
Mr. Clark with Mr. Hoffman of Michigan.
Mr. Evins with Mr. McVey.
Mr. Elliott with Mr. Seely-Brown.
Mrs. Griffiths with Mrs. Weis.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mrs. CHURCH. Mr. Speaker, on the vote on H.R. 7927, since the conference report contains an increase in retirement pay which would, if passed, be of personal benefit to me upon my retirement at the close of this 87th Congress, I regretfully accepted the necessity of disqualifying myself from voting and voted "present."

GENERAL LEAVE TO EXTEND

Mr. MURRAY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 10501. An act for the relief of Kenyon B. Zahner.

H.R. 12217. An act for the relief of George Edward Leonard.

H.R. 12434. An act to facilitate the work of the Forest Service, and for other purposes.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3361. An act to facilitate the entry of alien skilled specialists and certain relatives of U.S. citizens, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 5700) entitled "An act to amend the Tariff Act of 1930 to permit the designation of certain contract carriers as carriers of bonded merchandise," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD of Virginia, Mr. KERR, Mr. LONG of Louisiana, Mr. WILLIAMS of Delaware, and Mr. Curtis to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 8952) entitled "An act to amend the Internal Revenue Code of 1954 with respect to the conditions under which the special constructive sale price rule is to apply for purposes of certain manufacturers excise taxes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD of Virginia, Mr. KERR, Mr. LONG of Louisiana, Mr. WILLIAMS of Delaware, and Mr. CURTIS to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 12599) entitled "An act relating to the income tax treatment of terminal railroad corporations and their

shareholders," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD of Virginia, Mr. KERR, Mr. LONG of Louisiana, Mr. WILLIAMS of Delaware, and Mr. CURTIS to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7283) entitled "An act to amend the War Claims Act of 1948, as amended, to provide compensation for certain World War II losses."

The message also announced that the Senate disagrees to the amendment of the House to the Senate amendment No. 2 to the bill (H.R. 12648) entitled "An act making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1963, and for other purposes."

The message further announced that the Senate further insists on its amendments Nos. 2, 19, 44, 47, 48, 49, 50, 51, 52, 53, and 54 to the above-entitled bill.

USE OF MOBILE TRADE FAIRS

Mr. BONNER submitted the following conference report and statement on the bill (S. 3389) to promote the foreign commerce of the United States through the use of the mobile trade fairs:

CONFERENCE REPORT (H. REPT. No. 2538)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3389) to promote the foreign commerce of the United States through the use of mobile trade fairs, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That title II of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1101 et seq.), is amended by adding immediately after section 212(A) thereof (46 U.S.C. 1122a) the following new section:

"'SEC. 212. (B)(a) The Secretary of Commerce shall encourage and promote the development and use of mobile trade fairs which are designed to show and sell the products of United States business and agriculture at foreign ports and at other commercial centers throughout the world where the operator or operators of the mobile trade fairs exclusively use United States flag vessels and aircraft in the transportation of their exhibits.

"'(b) The Secretary of Commerce is authorized to provide to the operator or operators of such mobile trade fairs technical assistance and support as well as financial assistance for the purpose of defraying certain expenses incurred abroad, when the Secretary determines that such operations provide an economical and effective means of promoting export sales.

"'(c) There is authorized to be appropriated not to exceed $500,000 per fiscal year for each of the three fiscal years during the period beginning July 1, 1962, and ending June 30, 1965. In addition to such appropriated sums, the President shall make maximum use of foreign currencies owned by or owed to the United States to carry out the purposes of this section.

"'(d) The Secretary of Commerce shall submit annually to the Congress a report on his activities under this Act.'

"SEC. 2. Section 104(m) of the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended by inserting immediately before ', and (B)' the following: 'or section 212(B) of the Merchant Marine Act, 1936'."

And the House agree to the same.

That the title be amended to read as follows: "To amend the Merchant Marine Act, 1936, to develop American flag carriers and promote the foreign commerce of the United States through the use of mobile trade fairs."

HERBERT C. BONNER,
THOMAS N. DOWNING,
BOB CASEY,
WILLIAM S. MAILLIARD,
THOMAS M. PELLY,
Managers on the Part of the House.

CLAIR ENGLE,
E. L. BARTLETT,
JOHN MARSHALL BUTLER,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3389) to promote the foreign commerce of the United States through the use of mobile trade fairs, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute. The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for both the Senate bill and the House amendment. The conference substitute is in large part the same as the amendment of the House to the Senate bill. The differences between the House amendment and the substitute agreed to in conference are noted in the following outline except for minor technical and clarifying changes made necessary by reason of the conference agreement.

The House amendment authorized the Secretary of Commerce to encourage and promote the development and use of mobile trade fairs which are designed to show and sell the products of U.S. business and agriculture at foreign ports and other commercial centers throughout the world, and which, to the extent they are transported by vessel, shall be transported by vessels of U.S. registry. The conference substitute adds language to include U.S.-flag aircraft as well as vessels for the transportation of the mobile trade fairs.

The House amendment authorized appropriations for each of the 3 fiscal years during the period beginning July 1, 1962, and ending June 30, 1965, together with foreign currencies owned by or owed to the United States when made available by the President. The conference substitute retains the appropriation provision, and includes in substance the provision of the Senate bill granting discretionary authority to the Secretary of Commerce to provide the operator or operators of the mobile trade fairs technical and financial support for the purpose of defraying certain expenses incurred abroad when he determines that such operations provide an economical and effective means of promoting export sales.

The conference substitute adds a new subsection which would require the Secretary of Commerce to submit annual reports to the Congress on activities under the act.

The committee report on the House amendment expressed the opinion that the administration of the mobile trade fairs program proposed by the bill should be carried out through the Maritime Administration, rather than through other agencies within the Department of Commerce concerned with trade promotion through the use of land-based, international trade fairs, trade centers, and trade mission programs. In a letter dated September 27, 1962, the General Counsel of the Department of Commerce made the following comments to Senator CLAIR ENGLE, chairman of the managers on the part of the Senate, with reference to the above-mentioned report:

"The Secretary does not believe it is at all desirable, by legislative history or express statutory language, to restrict administration of such program to any given bureau within the Department. It is by no means certain that this sort of program would now or at all times in the future be best administered by the Maritime Administration. Neither do I suggest that such a program, if provided by Congress and if funds are appropriated, would not in fact be administered by the Maritime Administration. The point I would emphasize is that this feature of administration should not be fixed by statute or legislative history but rather be left to the best judgment and discretion of the Secretary of Commerce in the light of events which may develop in the future.

"Accordingly, we would recommend that any legislation on this subject enacted by Congress should clearly provide, both in its express terms and in any legislative history, that administration is to be accomplished through such bureaus or offices in the Department of Commerce as the Secretary finds most suitable for the task."

The managers on the part of the House recognized the justification for the views of the Department of Commerce in regard to the desirability of leaving full discretion in the Secretary as to the best method of administering the program. However, the managers on the part of the House wish to emphasize their belief that, insofar as concerns mobile trade fairs transported by U.S.-flag vessels, the Maritime Administrator should participate in the coordination of plans for carrying out the program, irrespective of the particular bureau within the Department having overall responsibility for administration.

The managers on the part of the House expressed the view, concurred in by the managers on the part of the Senate, that official travel by U.S. officers or employees concerned with the administration of the mobile trade fairs program shall be on U.S.-flag ships or aircraft where such ships or aircraft are available, unless the necessity of the mission requires the use of a ship or aircraft under foreign flag.

HERBERT C. BONNER,
THOMAS N. DOWNING,
BOB CASEY,
WILLIAM S. MAILLIARD,
THOMAS M. PELLY,
Managers on the Part of the House.

Mr. BONNER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (S. 3389) to promote the foreign commerce of the United States through the use of mobile trade fairs, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Public Law 87-793
87th Congress, H. R. 7927
October 11, 1962

An Act

76 STAT. 832.

To adjust postal rates, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Postal Service and Federal Employees Salary Act of 1962". Postal Service and Federal Employees Salary Act of 1962.

PART I—POSTAL SERVICE

Title I—Postal Rates

FIRST-CLASS MAIL

SEC. 101. Section 4253(a) of title 39, United States Code, is amended by striking out the words "four" and "three" wherever appearing in subsection (a) and inserting in lieu thereof the words "five" and "four", respectively. 74 Stat. 664.

AIRMAIL

SEC. 102. (a) Section 4303 of title 39, United States Code, is amended—

(1) by striking out the word "seven" in subsection (a) and inserting in lieu thereof the word "eight";

(2) by striking out the word "five" in subsection (b) and inserting in lieu thereof the word "six";

(3) by increasing each of the rates under the heading "First pound over 8 ounces or fraction thereof" in the table in subsection (d)(1) by 8 cents;

(4) by striking out paragraph (2) of subsection (d) and inserting in lieu thereof the following:

"(2) The rate of postage on air mail of the first class weighing in excess of eight ounces shall be the rate provided by subsection (a) for each ounce not in excess of eight ounces, plus 5 cents for each ounce or fraction thereof in excess of eight ounces, but in no case less than the rate provided under paragraph (1) for air parcels."

SECOND CLASS WITHIN COUNTY OF PUBLICATION

SEC. 103. Subsections (a) and (b) of section 4358 of title 39, United States Code, are amended to read as follows: 74 Stat. 668.

"(a) Except as provided in subsection (b), the rate of postage on publications admitted as second-class mail when addressed for delivery within the county in which they are published and entered is as follows:

"[In cents]

	"Mailed after January 6, 1963, and prior to January 1, 1965	Mailed after December 31, 1964
"Rate per pound	1	1¼
Minimum charge per piece	⅛	⅛

"(b) The rate of postage on the following publications admitted as second-class mail when mailed for delivery, within the county in which they are published and entered, by letter carrier at the office of mailing, shall be—

76 STAT. 833.

"(1) publications issued more frequently than weekly, one cent a copy;

"(2) publications issued less frequently than weekly—

"(A) weighing two ounces or less, one cent a copy;

"(B) weighing more than two ounces, two cents a copy."

SECOND CLASS BEYOND COUNTY OF PUBLICATION

74 Stat. 669.

SEC. 104. (a) Section 4359(b) of title 39, United States Code, is amended to read as follows:

"(b)(1) Except as provided by paragraphs (2), (3), and (4), the rates of postage on publications mailed in accordance with subsection (a) are as follows:

"[In cents]

	"Mailed after January 6, 1963, and prior to January 1, 1964	Mailed during calendar year 1964	Mailed after December 31, 1964
"Rate per pound:			
Advertising portion:			
Zones 1 and 2	3.4	3.8	
Zone 3	4.4	4.8	
Zone 4	6.4	6.8	7.2
Zone 5	8.4	8.8	9.2
Zone 6	10.4	10.8	11.2
Zone 7	12.0	12.0	12.0
Zone 8	14.0	14.0	14.0
Nonadvertising portion	2.6	2.7	2.8
Minimum charge per piece	.6	.8	1.0

"(2) The postage on classroom publications is 60 per centum of the postage computed in accordance with paragraph (1).

"(3) The rates of postage on publications of a qualified nonprofit organization mailed in accordance with subsection (a) are as follows:

"[In cents]

	"Mailed after January 6, 1963, and prior to January 1, 1964	Mailed during calendar year 1964	Mailed after December 31, 1964
"Rate per pound	1.6	1.7	1.8
Minimum charge per piece	.125	.125	.125

Certain publications, minimum charge.

"(4) In lieu of the minimum charge per piece prescribed by paragraph (1), the minimum charge per piece to be paid by the following publications (other than publications to which paragraph (2) or paragraph (3) is applicable) shall be as follows—

"(A) publications mailing fewer than 5,000 copies per issue outside the county of publication—one-half cent per piece;

"(B) any issue of a publication the advertising portion of which does not exceed 5 per centum of the entire issue—.55 of a cent per piece when mailed after January 6, 1963, and prior to January 1, 1964, .65 of a cent per piece when mailed during calendar year 1964, and .75 of a cent per piece when mailed after December 31, 1964."

(b) Section 4359(e)(2) of title 39, United States Code, is amended by striking out "and fraternal," and inserting in lieu thereof the following: "fraternal, and associations of rural electric cooperatives, and not to exceed one publication published by the official highway agency of a State which meets all of the requirements of section 4354 and which contains no advertising".

Repeal.
74 Stat. 670.

(c) Section 4360 of title 39, United States Code, is repealed.

SECOND-CLASS TRANSIENT MAIL

SEC. 105. Section 4362 of title 39, United States Code, is amended by striking out "two cents" and inserting in lieu thereof "four cents". 74 Stat. 670.

CONTROLLED CIRCULATION PUBLICATIONS

SEC. 106. Section 4422 of title 39, United States Code, is amended by striking out "12 cents a pound or fraction thereof" and inserting in lieu thereof the following: "12½ cents a pound or fraction thereof when mailed after January 6, 1963, and prior to January 1, 1964, 13 cents a pound or fraction thereof when mailed during calendar year 1964, and 13½ cents a pound or fraction thereof when mailed after December 31, 1964".

THIRD-CLASS MAIL

SEC. 107. Section 4452 of title 39, United States Code, is amended— 74 Stat. 673; Ante, p. 444.

(1) by amending subsections (a), (b), and (c) to read as follows:

"(a) Except as provided in subsection (c) of this section, and subject to the minimum charge per piece provided in subsection (b) of this section, the postage rates on third-class mail are as follows:

"Type of mailing	Rate	Unit
	Cents	
(1) Individual piece	4	First 2 ounces or fraction thereof.
	2	Each additional ounce or fraction thereof.
(2) Bulk mailings under subsec. (e) of this section of:		
(A) Books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions and plants.	12	Each pound or fraction thereof.
(B) Other matter	18	Do.

"(b) Matter mailed in bulk under subsection (e) of this section is subject to a minimum charge for each piece of 2⅝ cents when mailed subsequent to January 6, 1963 and prior to January 1, 1964, 2⅞ cents when mailed during calendar year 1964, and 2⅞ cents when mailed after December 31, 1964, except that the minimum charge per piece on such matter mailed by qualified nonprofit organizations is 1¼ cents.

"(c) The pound rates on matter mailed in bulk under subsection (e) by qualified nonprofit organizations are 50 per centum of the pound rates provided by subsection (a)."

(2) by striking out "subsections (a) and (b) of" wherever it appears in subsection (d).

(3) by striking out "$20" and "twenty pounds" in subsection (e) and inserting in lieu thereof "$30" and "fifty pounds", respectively, effective January 1, 1963.

FOURTH-CLASS MAIL

SEC. 108. Section 4552(b)(5) of title 39, United States Code, relating to size and weight limitations on fourth-class matter mailed to or from certain areas, is amended by striking out the words "Territory of Hawaii" and inserting in lieu thereof the words "States of Alaska and Hawaii,". 74 Stat. 674.

SEC. 109. Section 4554 of title 39, United States Code (relating to books, films, and similar educational materials), is amended by striking out that part of subsection (a) which precedes paragraph (1) and inserting in lieu thereof the following: Ante, p. 445.

"(a) Except as provided in subsection (b) of this section, the postage rate is 9½ cents a pound for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof when mailed after January 6, 1963 and prior to January 1, 1964, and 10 cents for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof when mailed after December 31, 1963, except that the rate now or hereafter prescribed for third- or fourth-class matter shall apply in every case where such rate is lower than the rate prescribed in this subsection on—".

FEES FOR SECOND-CLASS ENTRY AND REGISTRATION

74 Stat. 668.

SEC. 110. Section 4357 of title 39, United States Code, is amended—

(1) by striking out "$25" in subsection (a)(1) and inserting in lieu thereof "$30";

(2) by striking out "$50" in subsection (a)(2) and inserting in lieu thereof "$60";

(3) by striking out "$100" in subsection (a)(3) and inserting in lieu thereof "$120";

(4) by striking out "$10" in the first sentence of subsection (b) and inserting in lieu thereof "$15";

(5) by striking out the second sentence of subsection (b) and inserting in lieu thereof the following: "The fee for each additional entry is $15, except that if the additional entry is made within zones 3 to 8, inclusive (determined from the office of publication and entry), of the zones established for purposes of fourth-class mail, such fee shall be $50.";

(6) by striking out "$20" in subsection (c) and inserting in lieu thereof "$25"; and

(7) by striking out the last sentence in subsection (d).

PERMIT FEES FOR MAILING WITHOUT STAMPS

74 Stat. 656.

SEC. 111. Section 4052(b) of title 39, United States Code, is amended by striking out "$10" and inserting in lieu thereof "$15".

FIXING OF FEES BY POSTMASTER GENERAL

74 Stat. 581.

SEC. 112. Section 507 of title 39, United States Code, is amended by adding at the end thereof the following:

"(12) the issuance of a permit for prepayment of postage without stamps.

"(13) the entry, re-entry, or additional entry of a periodical publication as second-class mail.

"(14) the registry of a news agent.

Fees prescribed by the Postmaster General under paragraphs (12) to (14), inclusive, shall be collected in lieu of the corresponding fees established under section 4052(b) or 4357."

KEYS AND OTHER SMALL ARTICLES

74 Stat. 676.

SEC. 113. Section 4651(b) of title 39, United States Code, is amended by striking out "5 cents" and inserting in lieu thereof "6 cents".

METHOD OF DETERMINING GROSS RECEIPTS

74 Stat. 584.
72 Stat. 134.

SEC. 114. Section 711(c) of title 39, United States Code, is amended by striking out "Public Law 85–426" and inserting in lieu thereof "any Act of Congress enacted on or after May 27, 1958".

STANDARDS FOR DETERMINATION OF QUALIFICATIONS OF APPLICANTS FOR POSITIONS OF POSTMASTER

SEC. 115. In evaluating the qualifications of applicants for positions of postmaster, the United States Civil Service Commission shall give, with respect to each applicant, all due and appropriate consideration to experience in the postal field service, including seniority, length of service, level of difficulty and responsibility of work, attendance, awards and commendations, and performance rating.

TITLE II—POSTAL POLICY

SEC. 201. (a) Section 2302(c)(4) of title 39, United States Code, is amended by striking out "deemed to be attributable to the performance of public services under section 2303(b) of this title" and inserting in lieu thereof "determined under section 2303 of this title to be attributable to the performance of public services". 74 Stat. 599.

(b) Section 2303(a) of title 39, United States Code, is amended—

(1) by amending the heading so as to read

"§ 2303. Identification of public services and costs thereof";

(2) by striking out paragraph 1(A) and inserting in lieu thereof the following:

"(A) reduced rates for certain publications as provided by section 4359 of this title;"; Ante, p. 833.

(3) by striking out paragraph 1(C) and inserting in lieu thereof the following:

"(C) second class mailings at postage rates as provided by section 4358 of this title;"; and Ante, p. 832.

(4) by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) 10 per centum of the gross cost of the operation of third-class post offices and the star route system, and 20 per centum of the gross cost of the operation of fourth-class post offices and rural routes."

(5) by adding at the end thereof the following new sentence: "The terms 'total loss' and 'loss' as used in this section mean the amounts by which the total allocated costs incurred by the postal establishment in the performance of the public services enumerated in this subsection exceed the total revenues received by the postal establishment for the performance of such public services."

(c) Section 2303(b) of title 39, United States Code, is amended to read as follows: 74 Stat. 600.

"(b) The Postmaster General shall report to the Congress, on or before February 1 of each year beginning with the year 1963, the estimated amount of the losses or costs (or percentage of costs) specified in subsection (a) incurred by the postal establishment in the then current fiscal year in the performance of the public services enumerated in such subsection. The aggregate amount of the losses or costs (or percentage of costs) specified in subsection (a), incurred by the postal establishment in any fiscal year in the performance of such public services, shall be excluded from the total cost of operating the postal establishment for purposes of adjustment of postal rates and fees, including any adjustment pursuant to the provisions of section 207(b) of the Act of February 28, 1925, relating to reformation of classification (39 U.S.C., 1958 ed. 247)." 43 Stat. 1067.

(d) The table of contents of chapter 27 of title 39, United States Code, is amended by striking out

"2303. Identification of and appropriations for public services."

and inserting in lieu thereof:

"2303. Identification of public services and costs thereof.".

TITLE III—MISCELLANEOUS

ELIGIBILITY OF CERTAIN ORGANIZATIONS FOR SECOND-CLASS ENTRY

74 Stat. 667.

SEC. 301. Section 4355(a) of title 39, United States Code, is amended—

(1) by inserting after the words "State board of health" in subparagraph (3) a comma and the words "or a State industrial development agency";

(2) by striking out the period at the end of subparagraph (9) and inserting in lieu of such period a semicolon and the word "or"; and

(3) by adding at the end thereof the following new subparagraph (10):

"(10) published by any public or nonprofit private elementary or secondary institution of learning or its administrative or governing body.".

EDUCATIONAL MATERIALS

Ante, p. 834.

SEC. 302. Section 4554 of title 39, United States Code, is amended—

(1) by striking out paragraph (5) of subsection (a) and inserting in lieu thereof the following:

"(5) sound recordings, including incidental announcements of recordings and guides or scripts prepared solely for use with such recordings;";

(2) by striking out the period at the end of paragraph (6) of subsection (a) and inserting in lieu thereof a semicolon;

(3) by adding at the end of subsection (a) the following:

"(7) printed educational reference charts, permanently processed for preservation; and

"(8) looseleaf pages, and binders therefor, consisting of medical information for distribution to doctors, hospitals, medical schools, and medical students."

(4) by striking out the word "students'" immediately preceding the word "notations" in paragraph (1) of subsection (a) and in paragraph (2) of subsection (b);

(5) by inserting after the words "loaned or exchanged" in paragraph (1) of subsection (b) the following: "(including cooperative processing by libraries)";

(6) by striking out:

"(D) bound volumes of periodicals;

"(E) phonograph recordings; and"

in paragraph (2) of subsection (b) and inserting in lieu thereof:

"(D) periodicals, whether bound or unbound;

"(E) sound recordings; and"; and

(7) by striking out "and catalog of those items" in subsection (c) and inserting in lieu thereof "scientific or mathematical kits, instruments, or other devices and catalogs of those items, and guides or scripts prepared solely for use with such materials".

READING AND OTHER MATERIALS FOR BLIND PERSONS

74 Stat. 677.

SEC. 303. Sections 4653 and 4654 of title 39, United States Code, are amended to read as follows:

"§ 4653. Publications for blind persons

"(a) The following matter may be mailed free of postage— Free postage.

"(1) books, pamphlets, and other reading matter, including pages thereof:

"(A) published (whether prepared by hand, or printed) either in raised characters or in sightsaving-size type, or in the form of sound recordings, for use of blind persons;

"(B) in packages not exceeding the weight prescribed by the Postmaster General;

"(C) containing no advertising or other matter whatsoever;

"(D) unsealed;

"(E) sent—

"(i) by an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, as a loan to blind readers, or when returned by the blind reader to the lender; or

"(ii) to a blind person without cost to the blind person; or

"(iii) to an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, to be furnished to a blind person without cost to such blind person.

"(2) magazines, periodicals, and other regularly issued publications:

"(A) published (whether prepared by hand, or printed) either in raised characters or in sightsaving-size type, or in the form of sound recordings, for use of blind persons;

"(B) containing no advertising;

"(C) for which no subscription fee is charged.

"(b) There may be mailed at the rate of postage of 1 cent for each pound or fraction thereof— Postage rate.

"(1) books, pamphlets, and other reading matter, including pages thereof:

"(A) published (whether prepared by hand, or printed) either in raised characters or in sightsaving-size type, or in the form of sound recordings, for use of blind persons;

"(B) in packages not exceeding the weight prescribed by the Postmaster General;

"(C) containing no advertising or other matter whatsoever;

"(D) unsealed;

"(E) sent—

"(i) by an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, on a rental basis to blind readers, or when returned by the blind reader to such organizations, at a price not greater than the cost price thereof; or

"(ii) to a blind person at a price not greater than the cost price thereof; or

"(iii) to an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, to be furnished

to a blind person at a price not greater than the cost price thereof.

"(2) magazines, periodicals, and other regularly issued publications:

"(A) published (whether prepared by hand, or printed) either in raised characters or in sightsaving-size type, or in the form of sound recordings, for use of blind persons;

"(B) containing no advertising;

"(C) when furnished by an institution, agency, publisher, organization, or association (including a library or school and including organizations or associations of or for blind people), not conducted for private profit, to a blind person, at a price not greater than the cost price thereof.

"§ 4654. Reproducers, sound recordings, and other materials and appliances for the preparation of reading matter for blind persons

Government property, free postage.

"(a) Reproducers, or parts thereof, for sound recordings for blind persons which are the property of the United States Government may be mailed free of postage when sent for repair, or returned after repair—

"(1) by an organization, institution, public library, or association for blind persons, not conducted for private profit;

"(2) by a blind person to such an agency not conducted for private profit;

"(3) from such an agency to an organization, institution, public library, or association for blind persons not conducted for private profit; or

"(4) to a blind person.

"(b) The Postmaster General may extend the free mailing privilege provided by subsection (a) of this section to reproducers or parts thereof for sound recordings for blind persons, braille writers and other appliances for blind persons or parts thereof, that are the property of—

"(1) State governments or subdivisions thereof;

"(2) public libraries;

"(3) private agencies for the blind not conducted for private profit; or

"(4) blind individuals.

"(c) The Postmaster General may also permit the mailing free of postage of paper, records, tapes, and other materials for use by the recipients for the production (whether by hand or printed) of reading matter either in raised characters or sightsaving-size type, or in the form of sound recordings, for use of blind persons, where such materials are the property of—

"(1) State governments or subdivisions thereof;

"(2) public libraries;

"(3) private agencies for the blind not conducted for private profit; or

"(4) blind individuals."

REPEALS AND TECHNICAL AMENDMENTS

SEC. 304. (a) The following provisions of law are repealed:

74 Stat. 728. Ante, p. 447.

(1) The third proviso in section 3 of the Act of October 30, 1951, as amended by the Act of June 23, 1959 (73 Stat. 89; Public Law 86-56);

(2) Sections 204(d), 204(e)(1), and 204(e)(2) of the Postal Rate Revision and Federal Employees Salary Act of 1948, as amended by the Act of July 14, 1960 (74 Stat. 479; Public Law 86-644); 62 Stat. 1263; 74 Stat. 727.

(3) Sections 4361 and 4652 of title 39, United States Code. 74 Stat. 670, 676.

(b) Section 4359(a) of title 39, United States Code, is amended by striking out "4358, 4361, and 4362" and inserting in lieu thereof "4358 and 4362".

(c) Section 4451(d) of title 39, United States Code, is amended by striking out "(a)(2)" and inserting in lieu thereof "(a)(3)". 74 Stat. 672.

COMMUNIST POLITICAL PROPAGANDA

SEC. 305. (a) Chapter 51 of title 39, United States Code, is amended by adding at the end thereof the following new section: 74 Stat. 654.

"§ 4008. Communist political propaganda

"(a) Mail matter, except sealed letters, which originates or which is printed or otherwise prepared in a foreign country and which is determined by the Secretary of the Treasury pursuant to rules and regulations to be promulgated by him to be 'communist political propaganda', shall be detained by the Postmaster General upon its arrival for delivery in the United States, or upon its subsequent deposit in the United States domestic mails, and the addressee shall be notified that such matter has been received and will be delivered only upon the addressee's request, except that such detention shall not be required in the case of any matter which is furnished pursuant to subscription or which is otherwise ascertained by the Postmaster General to be desired by the addressee. If no request for delivery is made by the addressee within a reasonable time, which shall not exceed sixty days, the matter detained shall be disposed of as the Postmaster General directs.

"(b) For the purposes of this section, the term 'communist political propaganda' means political propaganda, as defined in section 1(j) of the Foreign Agents Registration Act of 1938, as amended (22 U.S.C. 611(j)), issued by or on behalf of any country with respect to which there is in effect a suspension or withdrawal of tariff concessions pursuant to section 5 of the Trade Agreements Extension Act of 1951 or section 231 of the Trade Expansion Act of 1962, or any country from which any type of foreign assistance is withheld pursuant to section 620(f) of the Foreign Assistance Act of 1961, as amended. 56 Stat. 250. 65 Stat. 73. 19 USC 1362. 75 Stat. 444; Ante, p. 261.

"(c) The provisions of this section shall not be applicable with respect to (1) matter addressed to any United States Government agency, or any public library, or to any college, university, graduate school, or scientific or professional institution for advanced studies, or any official thereof, or (2) material whether or not 'communist political propaganda' addressed for delivery in the United States pursuant to a reciprocal cultural international agreement under which the United States Government mails an equal amount of material for delivery in any country described in subsection (b)."

(b) The table of contents of chapter 51 of title 39, United States Code, is amended by adding at the end thereof the following:

"4008. Communist political propaganda."

EFFECTIVE DATE

SEC. 306. Except as otherwise provided, the foregoing provisions of this part shall become effective on January 7, 1963.

90497 O - 62 - 2(720)

NOTICE WITH RESPECT TO OBSCENE MATTER DISTRIBUTED BY MAIL AND DETENTION THEREOF

SEC. 307. In order to alert the recipients of mail and the general public to the fact that large quantities of obscene, lewd, lascivious, and indecent matter are being introduced into this country from abroad and disseminated in the United States by means of the United States mails, the Postmaster General shall publicize such fact (1) by appropriate notices posted in post offices, and (2) by notifying recipients of mail, whenever he deems it appropriate in order to carry out the purposes of this section, that the United States mails may contain such obscene, lewd, lascivious, or indecent matter. Any person may file a written request with his local post office to detain obscene, lewd, lascivious, or indecent matter addressed to him, and the Postmaster General shall detain and dispose of such matter for such period as the request is in effect. The Postmaster General shall permit the return of mail containing obscene, lewd, lascivious, or indecent matter, to local post offices, without cost to the recipient thereof. Nothing in this section shall be deemed to authorize the Postmaster General to open, inspect, or censor any mail except on specific request by the addressee thereof. The Postmaster General is authorized to prescribe such regulations as he may deem appropriate to carry out the purposes of this section.

Written request for detention.

PART II—FEDERAL SALARY REFORM

TITLE I—GENERAL POLICY

SHORT TITLE

SEC. 501. This part may be cited as the "Federal Salary Reform Act of 1962".

Federal Salary Reform Act of 1962.

DECLARATION OF POLICY

SEC. 502. The Congress hereby declares that, whereas the functions of a Federal salary system are to fix salary rates for the services rendered by Federal employees so as to make possible the employment of persons well qualified to conduct the Government's programs and to control expenditures of public funds for personal services with equity to the employee and to the taxpayer, and whereas fulfillment of these functions is essential to the development and maintenance of maximum proficiency in the civilian services of Government, then, accordingly, Federal salary fixing shall be based upon the principle that—

(a) There shall be equal pay for substantially equal work, and pay distinctions shall be maintained in keeping with work and performance distinctions; and

(b) Federal salary rates shall be comparable with private enterprise salary rates for the same levels of work.

Salary levels for the several Federal statutory salary systems shall be interrelated, and salary levels shall be set and henceforth adjusted in accordance with the above principles.

IMPLEMENTATION OF POLICY

SEC. 503. In order to give effect to the policy stated in section 502, the President: (1) shall direct such agency or agencies, as he deems appropriate, to prepare and submit to him annually a report which compares the rates of salary fixed by statute for Federal employees with the rates of salary paid for the same levels of work in private

enterprise as determined on the basis of appropriate annual surveys conducted by the Bureau of Labor Statistics, and, after seeking the views of such employee organizations as he deems appropriate and in such manner as he may provide, (2) shall report annually to the Congress (a) this comparison of Federal and private enterprise salary rates and (b) such recommendations for revision of statutory salary schedules, salary structures, and compensation policy, as he deems advisable.

Report to Congress.

SEC. 504. (a) Whenever the President shall find that the salary rates in private enterprise for one or more occupations in one or more areas or locations are so substantially above the salary rates of statutory pay schedules as to handicap significantly the Government's recruitment or retention of well-qualified persons in positions compensated under (1) section 603(b) of the Classification Act of 1949, as amended (5 U.S.C. 1113(b)), (2) the provisions of part III of title 39, United States Code, relating to personnel in the postal field service, (3) the pay scales for physicians, dentists, and nurses in the Department of Medicine and Surgery of the Veterans' Administration under chapter 73 of title 38, United States Code, or (4) sections 412 and 415 of the Foreign Service Act of 1946, as amended (22 U.S.C. 867 and 870), he may establish for such areas or locations higher minimum rates of basic compensation for one or more grades or levels, occupational groups, series, classes, or subdivisions thereof, and may make corresponding increases in all step rates of the salary range for each such grade or level: *Provided*, That in no case shall any minimum salary rate so established exceed the seventh salary rate prescribed by law for the grade or level. The President may authorize the exercise of the authority conferred upon him by this section by the Civil Service Commission or, in the case of employees not subject to the civil service laws and regulations, by such other agency or agencies as he may designate.

Higher minimum compensation rates, Presidential authority.

Post, p. 843.
74 Stat. 607.
72 Stat. 1243; Post, p. 859.
Post, pp. 861-862.

(b) Within the limitations specified in subsection (a), rates of basic compensation established under such subsection may be revised from time to time by the President or by such agency or agencies as he may designate. Such actions or revisions shall have the force and effect of law.

Compensation rates, revision.

(c) Any increase in rate of basic compensation established under this section shall not be regarded as an "equivalent increase" in compensation within the meaning of section 701(a) of the Classification Act of 1949, as amended, and section 3552 of title 39 of the United States Code.

Post, p. 847.
Post, p. 854.

SEC. 505. The functions, duties, and regulations of the departments and the Civil Service Commission with respect to this title, the Classification Act of 1949, as amended, the provisions of part III of title 39, United States Code, relating to personnel in the postal field service, the Foreign Service Act of 1946, as amended, and the provisions of chapter 73 of title 38 of the United States Code relating to personnel of the Department of Medicine and Surgery in the Veterans' Administration, shall be subject to such policies and rules as the President may issue. Among other things, the President's policies and rules may provide for—

(1) preparing and reporting to him the annual comparison of Federal salary rates with private enterprise rates,

(2) obtaining and reporting to him the views of employee organizations on such annual comparison, and on other salary matters,

(3) reviewing and reporting to him on the adequacy of the Federal statutory salary structures for the Federal programs to which they apply,

(4) reviewing the relationship of Federal statutory salary rates and private enterprise salary rates in specific occupation and local areas, and

(5) providing step-increases in recognition of high quality performance and providing for properly relating supervisory salary rates paid under one system to those of subordinates paid under another system.

TITLE II—PAY SYSTEM OF THE CLASSIFICATION ACT OF 1949

SHORT TITLE

Classification Act Amendments of 1962.

SEC. 601. This title may be cited as the "Classification Act Amendments of 1962".

BASIC COMPENSATION SCHEDULES

SEC. 602. (a) Section 603(b) of the Classification Act of 1949, as amended (74 Stat. 298; 5 U.S.C. 1113(b)), is amended to read as follows:

"(b) The compensation schedules for the General Schedule shall be as follows:

"COMPENSATION SCHEDULE I

"(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act, and ending immediately prior to the applicable initial effective date of Compensation Schedule II set forth below)

"Grade	Per annum rates and steps									
	1	2	3	4	5	6	7	8	9	10
GS-1	$3,245	$3,350	$3,455	$3,560	$3,665	$3,770	$3,875	$3,980	$4,085	$4,190
GS-2	3,560	3,665	3,770	3,875	3,980	4,085	4,190	4,295	4,400	4,505
GS-3	3,820	3,925	4,030	4,135	4,240	4,345	4,455	4,580	4,705	4,830
GS-4	4,110	4,250	4,390	4,530	4,670	4,810	4,950	5,090	5,230	5,370
GS-5	4,565	4,725	4,885	5,045	5,205	5,365	5,525	5,685	5,845	6,005
GS-6	5,035	5,205	5,375	5,545	5,715	5,885	6,055	6,225	6,395	6,565
GS-7	5,540	5,725	5,910	6,095	6,280	6,465	6,650	6,835	7,020	7,205
GS-8	6,090	6,295	6,500	6,705	6,910	7,115	7,320	7,525	7,730	7,935
GS-9	6,675	6,900	7,125	7,350	7,575	7,800	8,025	8,250	8,475	8,700
GS-10	7,290	7,535	7,780	8,025	8,270	8,515	8,760	9,005	9,250	9,495
GS-11	8,045	8,310	8,575	8,840	9,105	9,370	9,635	9,900	10,165	----
GS-12	9,475	9,790	10,105	10,420	10,735	11,050	11,365	11,680	11,995	----
GS-13	11,150	11,515	11,880	12,245	12,610	12,975	13,340	13,705	14,070	----
GS-14	12,845	13,270	13,695	14,120	14,545	14,970	15,395	15,820	16,245	----
GS-15	14,565	15,045	15,525	16,005	16,485	16,965	17,445	17,925	----	----
GS-16	16,000	16,500	17,000	17,500	18,000	----	----	----	----	----
GS-17	18,000	18,500	19,000	19,500	20,000	----	----	----	----	----
GS-18	20,000	----	----	----	----	----	----	----	----	----

"COMPENSATION SCHEDULE II

"(To be effective on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

"Grade	Per annum rates and steps									
	1	2	3	4	5	6	7	8	9	10
GS-1	$3,305	$3,410	$3,515	$3,620	$3,725	$3,830	$3,935	$4,040	$4,145	$4,250
GS-2	3,620	3,725	3,830	3,935	4,040	4,145	4,250	4,355	4,460	4,565
GS-3	3,880	3,985	4,090	4,195	4,300	4,405	4,525	4,650	4,775	4,900
GS-4	4,215	4,355	4,495	4,635	4,775	4,915	5,055	5,195	5,335	5,475
GS-5	4,690	4,850	5,010	5,170	5,330	5,490	5,650	5,810	5,970	6,130
GS-6	5,235	5,410	5,585	5,760	5,935	6,110	6,285	6,460	6,635	6,810
GS-7	5,795	5,990	6,185	6,380	6,575	6,770	6,965	7,160	7,355	7,550
GS-8	6,390	6,600	6,810	7,020	7,230	7,440	7,650	7,860	8,070	8,280
GS-9	7,030	7,260	7,490	7,720	7,950	8,180	8,410	8,640	8,870	9,100
GS-10	7,690	7,945	8,200	8,455	8,710	8,965	9,220	9,475	9,730	9,985
GS-11	8,410	8,690	8,970	9,250	9,530	9,810	10,090	10,370	10,650	----
GS-12	9,980	10,310	10,640	10,970	11,300	11,630	11,960	12,290	12,620	----
GS-13	11,725	12,110	12,495	12,880	13,265	13,650	14,035	14,420	14,805	----
GS-14	13,615	14,065	14,515	14,965	15,415	15,865	16,315	16,765	17,215	----
GS-15	15,665	16,180	16,695	17,210	17,725	18,240	18,755	19,270	----	----
GS-16	16,000	16,500	17,000	17,500	18,000	----	----	----	----	----
GS-17	18,000	18,500	19,000	19,500	20,000	----	----	----	----	----
GS-18	20,000	----	----	----	----	----	----	----	----	----

".

(b) The rates of basic compensation of officers and employees to whom Compensation Schedule I of the General Schedule set forth in subsection (a) of this section applies shall, subject to the provisions of paragraph (10) of this subsection, be initially adjusted, effective on the first day of the first pay period beginning on or after the date of enactment of this Act, as follows: Compensation Schedule I, initial adjustment of rates.

(1) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the first, second, third, fourth, fifth, sixth, or seventh scheduled rate, or at the first or second longevity rate of a grade below grade 4 of the General Schedule of the Classification Act of 1949, as amended, he shall be advanced as follows: Employees in step 1 to step 2 of the new schedule; step 2 to step 3; step 3 to step 4; step 4 to step 5; step 5 to step 6; step 6 to step 7; step 7 to step 8; the first longevity step to step 9; and the second longevity step to step 10. Grades 1-3.

(2) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the third longevity rate of a grade below grade 4 of the General Schedule of the Classification Act of 1949, as amended, he shall receive basic compensation at the highest rate of the appropriate grade plus an amount equal to the value of the maximum within grade increment provided for that grade in effect on and after such day. Grades 1-3. Third longevity rate.

(3) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the first, second, third, fourth, fifth, sixth, or seventh scheduled rate, or at the first, second, or third longevity rate, of grade 4, 5, 6, 7, 8, 9, or 10 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, fifth, sixth, seventh, eighth, ninth, or tenth rate of the appropriate grade in effect on and after such day. Grades 4-10.

(4) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the first, second, third, fourth, fifth, or sixth scheduled rate, or at the first, second, or third longevity rate of grade 11, 12, 13, or 14 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, fifth, sixth, seventh, eighth, or ninth rate of the appropriate grade in effect on and after such day. Grades 11-14.

(5) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the first, second, third, fourth, or fifth scheduled rate, or at the first, second, or third longevity rate of grade 15 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding first, second, third, fourth, fifth, sixth, seventh, or eighth rate of such grade in effect on and after such day. Grade 15.

(6) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period, which begins on or after the date of enactment of this Act at the first, second, third, fourth, or fifth rate of grade 16 or grade 17 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding Grades 16 or 17.

first, second, third, fourth, or fifth rate of the appropriate grade in effect on and after such day.

Grade 18.

(7) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at the rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding rate of such grade in effect on and after such day.

Rates between scheduled or longevity rates.

(8) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at a rate between two scheduled or two longevity rates, or between a scheduled and a longevity rate, of a grade of the General Schedule, he shall receive a rate of basic compensation at the higher of the two corresponding rates, as specified in paragraphs (1) through (6) of this subsection, in effect on and after such day.

Maximum longevity or scheduled rates.

(9) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after the date of enactment of this Act at a rate in excess of the maximum longevity rate for his grade, or in excess of the maximum scheduled rate for his grade if there is no longevity rate for his grade, he shall receive (A) the rate of the new schedule, in effect on and after such day, prescribed by paragraphs (1) through (6) of this subsection for employees at the maximum longevity rate or at the maximum scheduled rate, as the case may be, for his grade, or (B) if such rate is less than his existing rate, (i) the lowest rate of the new schedule for his grade which equals or exceeds his existing rate or (ii) if there is no such rate, his existing rate.

Certain previous service.

(10) Service of officers and employees performed immediately preceding the first day of the first pay period which begins on or after the date of enactment of this Act, in the grade of the General Schedule in which their respective positions were placed on such day, shall be counted toward not to exceed one step increase under the time in grade provisions of subsection (a) of section 701 of the Classification Act of 1949 as amended by this Act.

Post, p. 847.

(11) If the officer or employee, immediately prior to the first day of the first pay period which began on or after the date of enactment of this Act, is receiving, pursuant to paragraph (4) of section 2(b) of the Federal Employees Salary Increase Act of 1955, an existing aggregate rate of compensation determined under section 208(b) of the Act of September 1, 1954 (68 Stat. 1111; Public Law 763, Eighty-third Congress), plus the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, by section 2 of the Federal Employees Salary Increase Act of 1958, and by section 112 of the Federal Employees Salary Increase Act of 1960, he shall receive an aggregate rate of compensation equal to the sum of (A) his existing aggregate rate of compensation determined under such section 208(b) of the Act of September 1, 1954, (B) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, (C) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1958, (D) the amount of the increase provided by section 112 of the Federal Employees Salary Increase Act of 1960, and (E) the amount of the increase made by this section in the maximum rate of his grade, until (i) he

69 Stat. 173.
5 USC 1113 note.
5 USC 926 note.
72 Stat. 203.
5 USC 1113 and note.
74 Stat. 298.

leaves his position, or (ii) he is entitled to receive aggregate compensation at a higher rate by reason of the operation of this Act or any other provision of law; but, when such position becomes vacant, the aggregate rate of compensation of any subsequent appointee thereto shall be fixed in accordance with applicable provisions of law. Subject to clauses (i) and (ii) of the immediately preceding sentence of this paragraph, the amount of the increase provided by this section shall be held and considered for the purpose of section 208(b) of such Act of September 1, 1954, to constitute a part of the existing rate of compensation of such employee.

Compensation Schedule II, initial adjustment of rates.

(c) The rates of basic compensation of officers and employees to whom Compensation Schedule II of the General Schedule set forth in subsection (a) of this section applies shall be initially adjusted, effective as of the first day of the first pay period beginning on or after January 1, 1964, as follows:

(1) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after January 1, 1964, at one of the rates of a grade in the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding rate in effect on and after such date.

Rate between two rates.

(2) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after January 1, 1964, at a rate between two rates of a grade in the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the higher of the two corresponding rates in effect on and after such date.

Maximum rate of grade.

(3) If the officer or employee is receiving basic compensation immediately prior to the first day of the first pay period which begins on or after January 1, 1964, at a rate in excess of the maximum rate for his grade, as in effect on and after such date, he shall receive (A) the rate of the new schedule prescribed for employees at the maximum rate for his grade, or (B) his existing rate of basic compensation if such existing rate is higher.

69 Stat. 173. 5 USC 1113 note. 5 USC 926 note. 72 Stat. 203. 5 USC 1113 and note. 74 Stat. 298.

(4) If the officer or employee, immediately prior to the first day of the first pay period which begins on or after January 1, 1964, is receiving, pursuant to paragraph (4) of section 2(b) of the Federal Employees Salary Increase Act of 1955, an existing aggregate rate of compensation determined under section 208(b) of the Act of September 1, 1954 (68 Stat. 1111; Public Law 763, Eighty-third Congress), plus the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, by section 2 of the Federal Employees Salary Increase Act of 1958, and by section 112 of the Federal Employees Salary Increase Act of 1960, and the amount of the initial increase provided by this section, he shall receive an aggregate rate of compensation equal to the sum of (A) his existing aggregate rate of compensation determined under such section 208(b) of the Act of September 1, 1954, (B) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, (C) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1958, (D) the amount of the increase provided by section 112 of the Federal Employees Salary Increase Act of 1960, and (E) the amount of the increase made by this section in the maximum rate of his grade, until (i) he leaves his position, or (ii) he is entitled to receive aggregate compensation at a higher rate by reason of the operation of this

Act or any other provision of law; but, when such position becomes vacant, the aggregate rate of compensation of any subsequent appointee thereto shall be fixed in accordance with applicable provisions of law. Subject to clauses (i) and (ii) of the immediately preceding sentence of this paragraph, the amount of the increase provided by this section shall be held and considered for the purpose of section 208(b) of such Act of September 1, 1954, to constitute a part of the existing rate of compensation of such employee.

STEP-INCREASES

64 Stat. 1100; 65 Stat. 613.

SEC. 603. Title VII of the Classification Act of 1949, as amended (5 U.S.C. 1121–1125), relating to step-increases under such Act, is amended to read as follows:

"TITLE VII—STEP-INCREASES

"SEC. 701. (a) Each officer or employee compensated on a per annum basis, and occupying a permanent position within the scope of the compensation schedules fixed by this Act, who has not attained the maximum rate of compensation for the grade in which his position is placed, shall be advanced in compensation successively to the next higher rate within the grade at the beginning of the next pay period following the completion of (1) each fifty-two calendar weeks of service in salary rates 1, 2, and 3, or (2) each one hundred and four calendar weeks of service in salary rates 4, 5, and 6, or (3) each one hundred and fifty-six calendar weeks of service in salary rates 7, 8, and 9, subject to the following conditions:

"(A) That no equivalent increase in compensation from any cause was received during such period;

"(B) That his work is of an acceptable level of competence as determined by the head of the department; and

"(C) That the benefit of successive step-increases shall be preserved, under regulations issued by the Commission, for officers and employees whose continuous service is interrupted in the public interest by service with the Armed Forces or by service in essential non-Government civilian employment during a period of war or national emergency.

"(b) Any increase in compensation granted by law shall not be construed to be an equivalent increase in compensation within the meaning of subsection (a).

"SEC. 702. (a) Within the limit of available appropriations and in accordance with regulations prescribed by the Commission, the head of each department is authorized to grant additional step-increases in recognition of high quality performance above that ordinarily found in the type of position concerned. Step-increases under this section shall be in addition to those under section 701 and shall not be construed to be an equivalent increase in compensation within the meaning of subsection (a) of section 701.

"(b) No officer or employee shall be eligible under this section for more than one such additional step-increase within any period of fifty-two weeks.

Presidential appointments, exception.

"SEC. 703. This title shall not apply to the compensation of persons appointed by the President, by and with the advice and consent of the Senate."

GENERAL COMPENSATION RULES

63 Stat. 969.

SEC. 604. (a) Section 802(b) of the Classification Act of 1949, as amended (5 U.S.C. 1132(b)), relating to the salary to be received by an officer or employee who is promoted or transferred to a higher grade, is amended to read as follows:

"(b) Any officer or employee who is promoted or transferred to a position in a higher grade shall receive basic compensation at the lowest rate of such higher grade which exceeds his existing rate of basic compensation by not less than two step-increases of the grade from which he is promoted or transferred. If, in the case of any officer or employee so promoted or transferred who is receiving basic compensation at a rate in excess of the maximum rate for his grade under any provision of law, there is no rate in such higher grade which is at least two step-increases above his existing rate of basic compensation, he shall receive (1) the maximum rate of such higher grade, or (2) his existing rate of basic compensation, if such existing rate is the higher. In case any such officer or employee so promoted or transferred is receiving basic compensation at a rate saved to him under section 507 of this Act upon reduction in grade, such officer or employee shall receive (A) basic compensation at a rate two steps above the rate which he would be receiving if such section 507 were not applicable in his case, or (B) his existing rate of basic compensation, if such existing rate is the higher."

Infra.

(b) Section 802 of such Act is amended by adding at the end thereof a new subsection to read as follows:

Basic compensation of certain employees, retention.

"(d) The Commission may issue regulations governing the retention of the rate of basic compensation of an employee who together with his position is brought under this Act. If any such employee so entitled to receive a retained rate under regulations issued pursuant to this subsection is later demoted to a position under this Act, his rate of basic compensation shall be determined in accordance with section 507 of this Act, except that service in the position which was brought under the Act shall, for purposes of section 507, be considered as service under this Act.".

(c) Section 803 of the Classification Act of 1949, as amended (5 U.S.C. 1133), is amended to read as follows:

Supervisors of wage board employees, compensation.

"SEC. 803. Each employee in a position under this Act, who regularly has responsibility for supervision (including supervision over the technical aspects of the work concerned) over employees whose compensation is fixed and adjusted from time to time by wage boards or similar administrative authorities as nearly as is consistent with the public interest in accordance with prevailing rates, may, in accordance with regulations issued by the Commission, be paid at one of the scheduled rates for his grade which is above the highest rate of basic compensation being paid to any such prevailing-rate employee regularly supervised, or at the maximum rate for his grade, as provided for in such regulations.".

SALARY RETENTION

SEC. 605. Section 507 of the Classification Act of 1949, as amended (72 Stat. 830; 5 U.S.C. 1107), is amended—

72 Stat. 830.

(1) by striking out "(other than grade 16, 17, or 18 of the General Schedule)" in paragraph (1) of subsection (a) of such section; and

(2) by striking out "(B) in the same grade or in the same and higher grades;" in paragraph (4) of subsection (a) of such section; and by inserting in lieu thereof "(B) in any grade or grades higher than the grade to which demoted;".

TOP GRADE POSITIONS UNDER CLASSIFICATION ACT OF 1949

SEC. 606. (a) Section 505 (b) of the Classification Act of 1949, as amended (5 U.S.C. 1105(b)), relating to the limitation on numbers of positions in grades 16, 17, and 18 of the General Schedule of such

75 Stat. 786.

Act, is amended by striking out "not to exceed an aggregate of nineteen hundred and eighty-nine" and substituting in lieu thereof "not to exceed an aggregate of twenty-four hundred, in addition to any professional engineering positions primarily concerned with research and development and professional positions in the physical and natural sciences and medicine which may be placed in such grades".

Department of Defense. 73 Stat. 700; 75 Stat. 786.

(b) Section 505(j) of such Act is amended by inserting after the word "positions" the following: "(in addition to any professional engineering positions primarily concerned with research and development and professional positions in the physical and natural sciences and medicine which may be placed in such grades)".

Warden, Bureau of Prisons.

(c) Section 505 of such Act is further amended by inserting after subsection (j) the following new subsections:

"(k) The Attorney General is authorized, without regard to any other provision of this section, to place a total of ten positions of Warden in the Bureau of Prisons in grade 16 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grade by subsection (b).

Member, Board of Parole.

"(l) The Attorney General is authorized, without regard to any other provision of this section, to place a total of eight positions of Member of the Board of Parole in grade 17 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grade by subsection (b)."

CONFORMING CHANGES IN EXISTING LAW

Repeals.

SEC. 607. (a) The following provisions of law are hereby repealed:

Commerce, Budget Officer.

(1) Section 104 of the Department of Commerce and Related Agencies Appropriation Act, 1956 (69 Stat. 234; 5 U.S.C. 592(d)), authorizing grade 17 of the General Schedule of the Classification Act of 1949 for the position of Budget Officer of the Department of Commerce so long as the position is held by the present incumbent.

Interior, Director, Division of Budget and Finance.

(2) Section 206 of the Public Works Appropriation Act, 1956 (69 Stat. 360; 5 U.S.C. 483–2), authorizing the Secretary of the Interior to place the position of Director, Division of Budget and Finance, in grade 17 of the General Schedule established by the Classification Act of 1949 so long as the position is held by the present incumbent.

Engineers, Chief, Programs Branch.

(3) The second paragraph under the heading "Administrative Provisions" in title III of the Public Works Appropriation Act, 1956 (69 Stat. 364; 10 U.S.C. 1335, note), authorizing the Chief of Engineers to place the position of Chief of the Programs Branch, Office of the Assistant Chief of Engineers for Civil Works, in grade 17 of the General Schedule established by the Classification Act of 1949 so long as the position is held by the present incumbent.

Area Redevelopment Act, certain positions.

(4) Section 24(d) of the Area Redevelopment Act (75 Stat. 62; 42 U.S.C. 2521(d)), authorizing five positions in grades 16, 17, and 18 of the General Schedule established by the Classification Act of 1949 for agencies performing functions under that Act.

Fish and Wildlife, Commissioner.

(5) The fourth sentence of section 3(a) of the Fish and Wildlife Act of 1956 (70 Stat. 1120; 16 U.S.C. 742b(a)), relating to the annual salary of the Commissioner of Fish and Wildlife in the Department of the Interior, which reads: "He shall receive compensation at the same rate as that provided for grade GS–18.".

Agriculture, surplus disposal administrator.

(6) That part of section 207 of the Agricultural Act of 1956 (70 Stat. 200; 7 U.S.C. 1857), relating to the annual salary of an agricultural surplus disposal administrator in the Department of Agriculture, which reads: ", at a salary rate of not exceeding $15,000 per annum,".

(7) Section 1102 of the Classification Act of 1949, as amended (63 Stat. 971; 5 U.S.C. 1073), relating to the submission of reports with respect to the rates of compensation under, and the administration of, such Act. Reporting requirement.

(b) The second proviso of the paragraph under the heading "FEDERAL PRISON SYSTEM" and under the subheading "SALARIES AND EXPENSES, BUREAU OF PRISONS" in title II (the Department of Justice Appropriation Act, 1956) of the Departments of State and Justice, the Judiciary, and Related Agencies Appropriations Act, 1956 (69 Stat. 273; Public Law 133, Eighty-fourth Congress; 5 U.S.C. 298a) is amended by striking out "three positions" and inserting in lieu thereof "one position". Bureau of Prisons, certain positions.

SEC. 608. (a) Each position specifically referred to in, or covered by, any repeal made by section 607(a) of this title shall be placed in the appropriate grade of the General Schedule of the Classification Act of 1949, as amended, in accordance with the provisions of such Act. Affected positions, transfer to General Schedule.

(b) Positions in grade 16, 17, or 18, as the case may be, of the General Schedule of the Classification Act of 1949, as amended, immediately prior to the effective date of this section, shall remain, on and after such effective date, in their respective grades, until appropriate action is taken under section 505 of the Classification Act of 1949 as in effect on and after such effective date. Supergrades.

Ante, pp. 848, 849.

SAVINGS PROVISIONS

SEC. 609. (a) The changes in existing law made by this title shall not affect any position existing immediately prior to the effective date of any such changes in existing law, the compensation attached to such position, and any incumbent thereof, his appointment thereto, and his entitlement to receive the compensation attached thereto, until appropriate action is taken in accordance with this title.

(b) The incumbent of each such position immediately prior to the effective date of this title shall continue to receive the rate of basic compensation which he was receiving immediately prior to such effective date until he leaves such position or until he is entitled to receive compensation at a higher rate in accordance with law. When such incumbent leaves such position, the rate of basic compensation of each subsequent appointee to such position shall be determined in accordance with the Classification Act of 1949, as amended.

Ante, p. 843.

EFFECTIVE DATES

SEC. 610. Except as otherwise expressly provided in this title, the provisions of this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

TITLE III—POSTAL FIELD SERVICE EMPLOYEES

SHORT TITLE

SEC. 701. This title may be cited as the "Postal Employees Salary Adjustment Act of 1962". Postal Employees Salary Adjustment Act of 1962.

POSTAL FIELD SERVICE SCHEDULES

SEC. 702. Subsection (a) of section 3542 of title 39, United States Code, is amended to read as follows:

"(a) There are established basic compensation schedules for positions in the postal field service which shall be known as the Postal

Ante, p. 443.

Field Service Schedules and for which the symbol shall be 'PFS'. Each such schedule shall be in effect for the period specified with respect to such schedule. Except as provided in sections 3543 and 3544 of this title, basic compensation shall be paid to all employees in accordance with these schedules.

Infra.
Post, p. 853.

"POSTAL FIELD SERVICE SCHEDULE I

"(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act, and ending immediately prior to the applicable initial effective date of the second PFS schedule set forth below)

"PFS	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
1	$3,595	$3,725	$3,855	$3,985	$4,115	$4,245	$4,375	$4,505	$4,635	$4,765	$4,895	$5,025
2	3,905	4,040	4,175	4,310	4,445	4,580	4,715	4,850	4,985	5,120	5,255	5,390
3	4,230	4,375	4,520	4,665	4,810	4,955	5,100	5,245	5,390	5,535	5,680	5,825
4	4,565	4,725	4,885	5,045	5,205	5,365	5,525	5,685	5,845	6,005	6,165	6,325
5	4,965	5,130	5,295	5,466	5,625	5,790	5,955	6,120	6,285	6,450	6,615	6,780
6	5,365	5,545	5,725	5,905	6,085	6,265	6,445	6,625	6,805	6,985	7,165	7,345
7	5,805	6,000	6,195	6,390	6,585	6,780	6,975	7,170	7,365	7,560	-------	-------
8	6,285	6,495	6,705	6,915	7,125	7,335	7,545	7,755	7,965	8,175	-------	-------
9	6,805	7,030	7,255	7,480	7,705	7,930	8,155	8,380	8,605	8,830	-------	-------
10	7,395	7,640	7,885	8,130	8,375	8,620	8,865	9,110	9,355	9,600	-------	-------
11	8,045	8,310	8,575	8,840	9,105	9,370	9,635	9,900	10,165	-------	-------	-------
12	8,840	9,135	9,430	9,725	10,020	10,315	10,610	10,905	11,200	-------	-------	-------
13	9,725	10,050	10,375	10,700	11,025	11,350	11,675	12,000	12,325	-------	-------	-------
14	10,705	11,060	11,415	11,770	12,125	12,480	12,835	13,190	13,545	-------	-------	-------
15	11,780	12,170	12,560	12,950	13,340	13,730	14,120	14,510	14,900	-------	-------	-------
16	12,955	13,385	13,815	14,245	14,675	15,105	15,535	15,965	-------	-------	-------	-------
17	14,260	14,730	15,200	15,670	16,140	16,610	17,080	17,550	-------	-------	-------	-------
18	15,500	16,000	16,500	17,000	17,500	18,000	18,500	-------	-------	-------	-------	-------
19	16,750	17,250	17,750	18,250	18,750	19,250	-------	-------	-------	-------	-------	-------
20	18,000	18,500	19,000	19,500	-------	-------	-------	-------	-------	-------	-------	-------

"POSTAL FIELD SERVICE SCHEDULE II

"(To be effective on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

"PFS	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
1	$3,690	$3,820	$3,950	$4,080	$4,210	$4,340	$4,470	$4,600	$4,730	$4,860	$4,990	$5,120
2	4,010	4,145	4,280	4,415	4,550	4,685	4,820	4,955	5,090	5,225	5,360	5,495
3	4,345	4,490	4,635	4,780	4,925	5,070	5,215	5,360	5,505	5,650	5,795	5,940
4	4,690	4,850	5,010	5,170	5,330	5,490	5,650	5,810	5,970	6,130	6,290	6,450
5	5,085	5,255	5,425	5,595	5,765	5,935	6,105	6,275	6,445	6,615	6,785	6,955
6	5,500	5,685	5,870	6,055	6,240	6,425	6,610	6,795	6,980	7,165	7,350	7,535
7	5,950	6,150	6,350	6,550	6,750	6,950	7,150	7,350	7,550	7,750	-------	-------
8	6,440	6,655	6,870	7,085	7,300	7,515	7,730	7,945	8,160	8,375	-------	-------
9	6,965	7,200	7,435	7,670	7,905	8,140	8,375	8,610	8,845	9,080	-------	-------
10	7,650	7,900	8,150	8,400	8,650	8,900	9,150	9,400	9,650	9,900	-------	-------
11	8,410	8,690	8,970	9,250	9,530	9,810	10,090	10,370	10,650	-------	-------	-------
12	9,270	9,575	9,880	10,185	10,490	10,795	11,100	11,405	11,710	-------	-------	-------
13	10,210	10,545	10,880	11,215	11,550	11,885	12,220	12,555	12,890	-------	-------	-------
14	11,240	11,610	11,980	12,350	12,720	13,090	13,460	13,830	14,200	-------	-------	-------
15	12,370	12,780	13,190	13,600	14,010	14,420	14,830	15,240	15,650	-------	-------	-------
16	13,625	14,075	14,525	14,975	15,425	15,875	16,325	16,775	-------	-------	-------	-------
17	15,000	15,495	15,990	16,485	16,980	17,475	17,970	18,465	-------	-------	-------	-------
18	15,500	16,000	16,500	17,000	17,500	18,000	18,500	-------	-------	-------	-------	-------
19	16,750	17,250	17,750	18,250	18,750	19,250	-------	-------	-------	-------	-------	-------
20	18,000	18,500	19,000	19,500	-------	-------	-------	-------	-------	-------	-------	-------

RURAL CARRIER SCHEDULES

SEC. 703. (a) Section 3543(a) of title 39, United States Code, is amended to read as follows:

"(a) There are established basic compensation schedules which shall be known as the Rural Carrier Schedules, and for which the symbol shall be 'RCS'. Each such schedule shall be in effect for the period specified with respect to such schedule.

"RURAL CARRIER SCHEDULE I

"(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act, and ending immediately prior to the applicable initial effective date of the second RCS Schedule set forth below)

	"Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
Carriers in rural delivery service:												
Fixed compensation per annum	$2,027	$2,127	$2,227	$2,327	$2,427	$2,527	$2,627	$2,727	$2,827	$2,927	$3,027	$3,127
Compensation per mile per annum for each mile up to 30 miles of route	75	77	79	81	83	85	87	89	91	93	95	97
For each mile of route over 30 miles	24	24	24	24	24	24	24	24	24	24	24	24

"RURAL CARRIER SCHEDULE II

"(To be effective for the period beginning on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

	"Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
Carriers in rural delivery service:												
Fixed compensation per annum	$2,080	$2,180	$2,280	$2,380	$2,480	$2,580	$2,680	$2,780	$2,880	$2,980	$3,080	$3,180
Compensation per mile per annum for each mile up to 30 miles of route	77	79	81	83	85	87	89	91	93	95	97	99
For each mile of route over 30 miles	25	25	25	25	25	25	25	25	25	25	25	25".

(b) Section 3543(c) of title 39, United States Code, is amended to read as follows: 74 Stat. 646.

"(c) The Postmaster General may pay such additional compensation as he may determine to be fair and reasonable in each individual case to rural carriers serving heavily patronized routes."

(c) The first sentence of section 3543(f) of title 39, United States Code, is amended to read as follows: "In addition to the compensation provided in the Rural Carrier Schedule, each rural carrier shall be paid for equipment maintenance a sum equal to—

"(1) 12 cents per mile for each mile or major fraction of a mile scheduled, or

"(2) $4.20 per day, whichever is greater."

(d) Section 3543 of title 39, United States Code, is amended by adding thereto new subsections (i) and (j) as follows:

"(i) Each person serving as a substitute of record on the effective date of this subsection shall be placed in step 2 of the Rural Carrier Schedule and he shall be advanced by step-increases, on the basis of time on the rolls prior to the effective date, in accordance with the schedule of step-increases provided in section 3552, except that no such person shall be so advanced to a step higher than the step to which a regular carrier with the same length of service would have advanced prior to such effective date. Thereafter, he shall be advanced by step-increases, pursuant to the provisions of sections 3552 and 3553 of this title. On and after the effective date of this subsection, each substitute rural carrier shall be paid the daily rate, based on the step attained by him, for the route on which service is performed. Substitute of record. Post, p. 854. 74 Stat. 649.

"(j) Each temporary rural carrier who, on the effective date of this subsection, is serving on a vacant route pending the appointment of a

regular rural carrier shall be placed in step 2 and shall be advanced by step-increases on the basis of any prior substitute or temporary rural carrier service in accordance with the schedule of step-increases provided in section 3552."

Post, p. 854.

FOURTH CLASS OFFICE SCHEDULES

74 Stat. 647.

SEC. 704. (a) Section 3544(a) of title 39, United States Code, is amended to read as follows:

"(a) There are established basic compensation schedules which shall be known as the Fourth Class Office Schedules, and for which the symbol shall be 'FOS', for postmasters in post offices of the fourth class. Each such schedule shall be in effect for the period specified with respect to such schedule. Each such schedule is based upon the gross postal receipts as contained in returns of the post office for the calendar year immediately preceding. Basic compensation shall be paid to postmasters in post offices of the fourth class in accordance with these schedules.

"FOURTH CLASS OFFICE SCHEDULE I

"(To be effective for the period beginning on the first day of the first pay period beginning on or after the date of enactment of this Act and ending immediately prior to the applicable initial effective date of the second FOS schedule set forth below)

"Gross receipts	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
$1,300 to $1,499.99	$3,277	$3,386	$3,495	$3,604	$3,713	$3,822	$3,931	$4,040	$4,149	$4,258	$4,367	$4,476
$900 to $1,299.99	3,003	3,102	3,201	3,300	3,399	3,498	3,597	3,696	3,795	3,894	3,993	4,092
$600 to $899.99	2,457	2,540	2,623	2,706	2,789	2,872	2,955	3,038	3,121	3,204	3,287	3,370
$350 to $599.99	1,911	1,973	2,035	2,097	2,159	2,221	2,283	2,345	2,407	2,469	2,531	2,593
$250 to $349.99	1,366	1,410	1,454	1,498	1,542	1,586	1,630	1,674	1,718	1,762	1,806	1,850
$200 to $249.99	1,092	1,128	1,164	1,200	1,236	1,272	1,308	1,344	1,380	1,416	1,452	1,488
$100 to $199.99	820	846	872	898	924	950	976	1,002	1,028	1,054	1,080	1,106
Under $100	545	562	579	596	613	630	647	664	681	698	715	732

"FOURTH CLASS SCHEDULE II

"(To be effective on the first day of the first pay period beginning on or after January 1, 1964, and thereafter)

"Gross receipts	Per annum rates and steps											
	1	2	3	4	5	6	7	8	9	10	11	12
$1,300 to $1,499.99	$3,426	$3,540	$3,654	$3,768	$3,882	$3,996	$4,110	$4,224	$4,338	$4,452	$4,566	$4,680
$900 to $1,299.99	3,140	3,243	3,346	3,449	3,552	3,655	3,758	3,861	3,964	4,067	4,170	4,273
$600 to $899.99	2,569	2,655	2,741	2,827	2,913	2,999	3,085	3,171	3,257	3,343	3,429	3,515
$350 to $599.99	1,998	2,063	2,128	2,193	2,258	2,323	2,388	2,453	2,518	2,583	2,648	2,713
$250 to $349.99	1,428	1,474	1,520	1,566	1,612	1,658	1,704	1,750	1,796	1,842	1,888	1,934
$200 to $249.99	1,142	1,179	1,216	1,253	1,290	1,327	1,364	1,401	1,438	1,475	1,512	1,549
$100 to $199.99	857	884	911	938	965	992	1,019	1,046	1,073	1,111	1,127	1,154
Under $100	569	588	607	626	645	664	683	702	721	740	759	778".

(b) Section 3544(b) of title 39, United States Code, is amended to read as follows:

Gross receipts category.

"(b) The basic salary of postmasters in fourth-class post offices shall be readjusted for changes in gross receipts at the start of the first pay period after the beginning of each fiscal year. When a post office is restored to a gross receipts category held by it prior to relegation to a lower gross receipts category, the postmaster's basic salary may be adjusted to the highest salary step held by him when the post office was in the higher gross receipts category. In all other cases, in adjusting a postmaster's basic salary under this section, the basic salary shall be fixed at the lowest step which is higher than the basic salary received by the postmaster at the end of the preceding fiscal year. If there is no such step the basic salary shall be fixed at the highest step for the adjusted gross receipts of the office.

Each increase in basic salary because of change in gross receipts shall be deemed the equivalent of a step-increase under section 3552 of this title and the waiting period, for purposes of advancement to the next step, shall begin on the date of adjustment." Infra.

SEC. 705. Section 3552 of title 39, United States Code, is amended to read as follows: 74 Stat. 649.

"§ 3552. Automatic advancement by step increases

"(a)(1) Each employee in levels 1 through 6 of the Postal Field Service Schedule, each employee subject to the Rural Carrier Schedule, and each employee subject to the Fourth Class Office Schedule, who has not reached the highest step for his position, shall be advanced successively to the next higher step as follows:

"(A) To steps 2, 3, 4, 5, 6, and 7—at the beginning of the first pay period following the completion of fifty-two calendar weeks of satisfactory service; and

"(B) To steps 8 and above—at the beginning of the first pay period following the completion of one hundred and fifty-six calendar weeks of satisfactory service.

"(2) Each employee in the postal field service in level 7 or above of the Postal Field Service Schedule, who has not reached the highest step for his position, shall be advanced successively to the next higher step, as follows:

"(A) To steps 2, 3, and 4—at the beginning of the first pay period following the completion of fifty-two calendar weeks of satisfactory service;

"(B) To steps 5, 6, and 7—at the beginning of the first pay period following the completion of one hundred and four calendar weeks of satisfactory service; and

"(C) To steps 8 and above—at the beginning of the first pay period following the completion of one hundred and fifty-six calendar weeks of satisfactory service.

"(3) The receipt of an equivalent increase during any of the waiting periods specified in this subsection shall cause a new full waiting period to commence for further step-increases.

"(b) Any increase in basic compensation granted by law on or after the date of enactment of the Postal Employees Salary Adjustment Act of 1962, to employees in the postal field service shall not be deemed to be an equivalent increase in basic compensation within the meaning of subsection (a) of this section. Ante, p. 850.

"(c) The benefit of successive step-increases shall be preserved, under regulations prescribed by the Postmaster General, for employees whose continuous service is interrupted by service in the armed services."

SEC. 706. Section 3554 of title 39, United States Code, is amended to read as follows: 74 Stat. 649.

"§ 3554. Compensation of certain temporary employees

"Temporary employees hired for a continuous period of one year or less for a position in the postal field service shall be paid basic compensation at the entrance step of the position to which they are appointed.".

SEC. 707. Section 3559 of title 39, United States Code, is amended to read as follows: 74 Stat. 651.

"§ 3559. Promotions

"An employee who is promoted to a position in the Postal Field Service Schedule which is not more than two salary levels above the salary level of the position from which promoted shall be paid basic compensation at the lowest step of the higher salary level which exceeds his existing basic compensation by not less than two steps of

the salary level from which promoted. An employee who is promoted to a position in the Postal Field Service Schedule which is more than two salary levels above the level of the position from which promoted shall be paid basic compensation at the lowest step of the higher salary level which exceeds his existing basic compensation by not less than three steps of the salary level from which promoted. If there is no step in the salary level to which the employee is promoted which exceeds his existing basic compensation by at least the amount of the specified difference, the employee shall be paid the rate for the maximum step of the salary level to which promoted, or his existing basic compensation, whichever is higher.".

Star route contract.
74 Stat. 696.

SEC. 708. Subsection (a)(4) of section 6402 of title 39, United States Code, is amended to read as follows:

"(4) delivery and collection service may not be established or extended under a star route contract on a rural route except when such rural route does not meet the minimum standards established by the Postmaster General, and becomes vacant; and".

Definitions.
74 Stat. 607.

SEC. 709. Section 3101 of title 39, United States Code, is amended by deleting paragraphs (5) and (6), and inserting in lieu thereof, the following:

"(5) 'basic salary' and 'basic compensation' mean the rate of annual or hourly compensation specified by law, exclusive of overtime and night differential.".

Compensations.
74 Stat. 644.

SEC. 710. Subsection 3541(d) of title 39, United States Code, is amended by (a) inserting in paragraph (3) thereof, after "rural carriers," the phrase "(other than substitute rural carriers,)" and (b) adding a new paragraph (5) as follows:

"(5) To compute the daily rate of basic compensation for substitute rural carriers, the annual rate of compensation shall be divided by 304.".

CONVERSION AS OF THE FIRST PAY PERIOD BEGINNING ON OR AFTER THE DATE OF ENACTMENT OF THIS ACT

Ante, pp. 851, 852.

SEC. 711. (a) The basic compensation of each employee subject to Postal Field Service Schedule I or Rural Carrier Schedule I, as the case may be, on the effective date of such schedule shall be determined as follows:

(1) Each employee shall be assigned to the same numerical level and step he was in prior to the effective date of such schedule, except that employees in the first four levels of the Postal Field Service Schedule and employees (except employees subject to section 3543(j) of title 39, United States Code) in the Rural Carrier Schedule shall be advanced as follows: Employees in step 1 to step 2 of the new schedule; step 2 to step 3; step 3 to step 4; step 4 to step 5; step 5 to step 6; step 6 to step 7; step 7 to step 8. If changes in level or step would otherwise occur on the effective date of such schedule without regard to the enactment of such schedule, such changes shall be deemed to have occurred prior to conversion under this paragraph.

Ante, p. 852.

(2) In addition to conversion under paragraph (1) of this subsection, each employee shall be advanced one additional step for each longevity step which he had earned on or prior to such conversion.

(3) Credit toward the next step-increase (other than toward longevity steps) earned by an employee who had not reached step 7 or who is not advanced to step 7 under paragraph (1) prior to the effective date of such schedule shall be creditable under subsection 3552(a) and section 3553 of title 39, United States

Ante, p. 854.
74 Stat. 649.

Code, toward further step-increases if no step-increases were granted pursuant to paragraph (2) of this subsection. Credit earned toward longevity step-increases prior to the effective date of such schedule shall not be creditable toward further step-increases pursuant to subsection 3552(a), and section 3553 of title 39, United States Code. Ante, p. 854. 74 Stat. 649.

(b) The basic compensation of each postmaster subject to the Fourth Class Office Schedule I on the effective date of such schedule shall be determined as follows: Ante, p. 853.

(1) Each postmaster shall be assigned to the same receipts category and numerical step he was in prior to the effective date of such schedule. If changes in receipts category or step would otherwise occur on the effective date of such schedule without regard to the enactment of such schedule, such changes in receipts category or step shall be deemed to have occurred prior to conversion.

(2) Postmasters who, as of the effective date of this schedule, have not reached step 7, shall retain credit for advancement to the next step under section 3552(a) and section 3553 of title 39, United States Code, if no step-increases are granted pursuant to paragraph 3 of this subsection. Credit earned toward longevity step-increases prior to the effective date of such schedule shall not be creditable toward further step-increases under section 3552(a) and section 3553 of title 39, United States Code. Ante, p. 854. 74 Stat. 649.

(3) For each longevity step earned on or prior to the effective date of such schedule postmasters shall be advanced one step.

(c) If the existing basic compensation of any employee subject to the Postal Field Service Schedule, Rural Carrier Schedule, or Fourth Class Office Schedule, as the case may be, is greater than the rate established by subsection (a) or (b) of this section, he shall be placed in the first step of such schedule which exceeds his existing basic compensation; if the existing basic compensation is greater than any numerical step, his existing basic compensation shall be established as his basic compensation. 39 USC 3542-3544.

CONVERSION AS OF THE FIRST PAY PERIOD BEGINNING ON OR AFTER JANUARY 1, 1964

SEC. 712. The basic compensation of each employee subject to the Postal Field Service Schedule II, Rural Carrier Schedule II, or Fourth Class Office Schedule II, as the case may be, on the effective date of such schedule shall be determined as follows: Ante, pp. 850-853.

(1) Each employee shall be assigned to the same numerical step for his position which he had attained prior to the effective date of such schedule. If changes in levels, receipts categories, or steps would otherwise occur on the effective date of such schedule without regard to enactment of such schedule, such changes shall be deemed to have occurred prior to conversion.

(2) If existing basic compensation is greater than the rate to which the employee is converted under paragraph (1) of this section, the employee shall be placed in the lowest step which exceeds his basic compensation; if the existing basic compensation exceeds the maximum step of his position, his existing basic compensation shall be established as his basic compensation.

SEC. 713. Subject to sections 711(c) and 712(2) of this title, rates of compensation fixed by reason of section 3560 of title 39, United States Code, shall not be increased by this title, notwithstanding any provision of such section to the contrary. 74 Stat. 584, 585; Ante, p. 835. 75 Stat. 569; Post, p. 857.

BASIC SALARY IN CASES OF ASSIGNMENTS OF POSTAL EMPLOYEES

74 Stat. 612. SEC. 714. (a) Section 3335(b) of title 39, United States Code, is amended by adding at the end thereof the following sentence: "The Postmaster General may pay, as he deems advisable, in cases of such assignments, a basic salary computed in accordance with the provisions of such section 3559 without regard to the requirement in this subsection of assignment for more than thirty days in a calendar year.".

Ante, p. 854.

(b) Each payment of an increase in basic salary which was made prior to the date of enactment of this section for services performed for periods of thirty days or less in any calendar year in the course of an assignment referred to in section 3335(b) of title 39, United States Code, by a postal field service employee assigned to duties and responsibilities of a higher salary level, and which would have been authorized by such section 3335(b), if such services had been performed in the course of such assignment after the completion by such employee of thirty days of service in any calendar year in such higher salary level, are hereby validated to the same extent as if such services had been performed after the completion of thirty days of service in any calendar year in the course of such assignment. Payments of increases validated by this subsection shall be considered as basic salary for the purposes of the Civil Service Retirement Act (5 U.S.C. 2251–2267).

70 Stat. 743.

SALARY PROTECTION REVISION

75 Stat. 569. SEC. 715. (a) Section 3560(a)(1) of title 39, United States Code, is amended to read as follows:

"(1) basic salary and salary level, with respect to the Postal Field Service Schedule,".

(b) Section 3560(b)(4) of title 39, United States Code, is amended to read as follows:

"(4) who, for two continuous years immediately prior to such reduction in salary standing, served in the postal field service with any salary standing higher than the salary standing to which he is reduced; and ".

(c) Section 3560(c) of title 39, United States Code, is amended—

(1) by striking out the period at the end of paragraph (B) and inserting "; or" in lieu of such period, and

(2) by adding at the end of such section 3560(c) the following paragraph:

"(C) the amount of the rate in the lowest salary standing which such employee held during the two years immediately preceding such reduction in salary standing augmented by each step increase which he would have earned in such salary standing and by each increase provided by law in such salary rate.".

(d) (1) Subject to paragraph (2) of this section, the amendments made by this section to sections 3560(a)(1), 3560(b)(4), and 3560(c) of title 39, United States Code, shall apply only with respect to reductions in salary standing occurring on or after the date of enactment of this Act.

(2) Payments not authorized by section 3560 of title 39, United States Code, which were made prior to the date of enactment of this Act to employees in the postal field service in connection with reductions in salary standing and which would have been authorized under such section 3560 if the amendments made by this section to subsections (b)(4) and (c) of such section 3560 had been in effect at the time such payments were made, are hereby validated to the same extent as if such amendments had been in effect at such time.

RULES FOR SPECIAL COMPENSATION

SEC. 716. Chapter 41 of title 39, United States Code, is amended by adding immediately following section 3105 a new section 3106 as follows: 39 USC 3101, 3103-3105, 3111-3116.

"§ 3106. Special compensation rules

"In order that the basic compensation schedules in sections 3542, 3543, and 3544 of this title may be used equitably and with maximum effect to attract and motivate employees, the Postmaster General may prescribe regulations pursuant to which he may, within the limit of available appropriations, grant to any officer or employee before the expiration of the periods prescribed by section 3552, step-increases in recognition of extra competence: *Provided*, That no officer or employee shall be eligible under this section for more than one such additional step-increase within any period of fifty-two weeks, and such increase shall not be considered to be an equivalent increase." 74 Stat. 645-647.

PERSONNEL REQUIREMENTS

SEC. 717. (a) Section 3301 of title 39, United States Code, is amended to read as follows: 74 Stat. 609; 75 Stat. 795.

"§ 3301. Personnel requirements

"The Postmaster General shall determine the personnel requirements of the postal field service, and fix the number of supervisors and other employees in that service, except that there may not be at any one time more than one assistant postmaster employed at any post office or a total of 70 employees assigned to salary levels 18, 19, and 20 in the postal field service."

(b) Section 1310(a) of the Act of November 1, 1951 (65 Stat. 757), as amended, which fixes a ceiling on permanent employees in the Federal Government, is amended by inserting after the word "*Provided*," the following: "That increases in the number of permanent personnel in the Postal Field Service not exceeding 10 per centum above the total number of its permanent employees on September 1, 1950, shall not be chargeable to this limitation: *And provided further*,". 5 USC 43 note.

CONFORMING AMENDMENT

SEC. 718. (a) The table of contents of chapter 41 of title 39, United States Code, is amended by adding after the heading entitled "EMPLOYEES GENERALLY", the following: 39 USC 3101.

"3106. Special compensation rules".

(b) The table of contents of chapter 45 of title 39, United States Code, is amended by deleting 39 USC 3501.

"3558. Longevity step-increases".

REPEALS

SEC. 719. Sections 101 through 105 of the Act of July 1, 1960 (74 Stat. 296, Public Law 86–568), and section 3558 of title 39, United States Code, are repealed. 74 Stat. 296-298. 39 USC 971 notes, 971-974, 981.

EFFECTIVE DATES

SEC. 720. Except as otherwise expressly provided in this title, the provisions of this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act, except that section 712 (conversion rules for second postal field service salary increases) shall become effective on the first day of the first pay period which begins on or after January 1, 1964. 74 Stat. 650.

Title IV—Department of Medicine and Surgery in the Veterans' Administration

72 Stat. 1243; 74 Stat. 300.

Sec. 801. (a) Section 4103 of title 38 of the United States Code, relating to the appointment and annual salaries of the Chief Medical Director and certain other officers of the Department of Medicine and Surgery of the Veterans' Administration, is amended by striking out the words "not to exceed eight Assistant Chief Medical Directors" in subsection (a) and inserting in lieu thereof the words "not to exceed five Assistant Chief Medical Directors, such Medical Directors as may be designated to suit the needs of the Department,".

(b) Such section is further amended by striking out subsections (d) to (i), inclusive, and inserting in lieu thereof the following:

"(d) Each Assistant Chief Medical Director shall be appointed by the Administrator upon the recommendation of the Chief Medical Director and shall be paid a salary of $20,000 a year.

"One Assistant Chief Medical Director shall be a qualified doctor of dental surgery or dental medicine who shall be directly responsible to the Chief Medical Director for the operations of the Dental Service.

"(e) Medical Directors, during their period of service as such, shall be paid a salary of $18,500 minimum to $19,500 maximum a year.

"(f) The Director of Nursing Service shall be a qualified registered nurse, appointed by the Administrator, and shall be responsible to the Chief Medical Director for the operation of the Nursing Service. During the period of service as such, the Director of Nursing Service shall be paid, effective on the first day of the first pay period beginning on or after—

"the date of enactment of the Federal Salary Reform Act of 1962, a salary of $14,565 minimum to $17,925 maximum a year;

Ante, p. 841.

"January 1, 1964, a salary of $15,665 minimum to $19,270 maximum a year.

"(g) The Administrator may appoint a chief pharmacist and a chief dietitian. During the period of his service as such, the chief pharmacist and the chief dietitian shall be paid, effective on the first day of the first pay period beginning on or after—

"the date of enactment of the Federal Salary Reform Act of 1962, a salary of $14,565 minimum to $17,925 maximum a year;

"January 1, 1964, a salary of $15,665 minimum to $19,270 maximum a year.

"(h) Except as provided in subsection (j), any appointment under this section shall be for a period of four years but persons so appointed shall be subject to removal by the Administrator for cause.

"(i) Reappointments may be made for successive like periods.

"(j) The Administrator may designate a member of the Chaplain Service of the Veterans' Administration as Director, Chaplain Service, for a period of two years, subject to removal by the Administrator for cause. During the period that any such member serves as Director, Chaplain Service, he shall be paid a salary, as determined by the Administrator, within the minimum and maximum salary limitations prescribed for grade GS–15 positions by the Classification Act of 1949, as amended. Redesignations under this subsection may be made for successive like periods. An individual designated as Director, Chaplain Service, shall at the end of his period of service as Director revert to the position, grade, and status which he held immediately prior to being designated Director, Chaplain Service, and all service as Director, Chaplain Service, shall be creditable as service in the former position."

Ante, p. 843.

PHYSICIANS, DENTISTS, AND NURSES

SEC. 802. Section 4107 of such title 38 relating to the minimum and maximum rates of annual salary of certain physicians, dentists, and nurses of the Department of Medicine and Surgery of the Veterans' Administration is amended to read as follows: 72 Stat. 1245; 74 Stat. 301.

"§ 4107. Grades and pay scales

"(a) (1) Effective on the first day of the first pay period beginning on or after the date of enactment of the Federal Salary Reform Act of 1962, the grades and per annum full-pay ranges for positions provided in paragraph (1) of section 4104 of this title shall be as follows: Ante, p. 841. 72 Stat. 1244.

"PHYSICIAN AND DENTIST SCHEDULE

"Director grade, $16,000 minimum to $19,000 maximum.
"Executive grade, $15,250 minimum to $18,750 maximum.
"Chief grade, $14,565 minimum to $18,405 maximum.
"Senior grade, $12,845 minimum to $16,245 maximum.
"Intermediate grade, $11,150 minimum to $14,070 maximum.
"Full grade, $9,475 minimum to $11,995 maximum.
"Associate grade, $8,045 minimum to $10,165 maximum.

"NURSE SCHEDULE

"Assistant Director grade, $12,845 minimum to $16,245 maximum.
"Chief grade, $11,150 minimum to $14,070 maximum.
"Senior grade, $9,475 minimum to $11,995 maximum.
"Intermediate grade, $8,045 minimum to $10,165 maximum.
"Full grade, $6,675 minimum to $8,700 maximum.
"Associate grade, $5,820 minimum to $7,575 maximum.
"Junior grade, $5,035 minimum to $6,565 maximum.

"(2) Effective on the first day of the first pay period beginning on or after January 1, 1964, the per annum full pay ranges for positions provided in paragraph (1) of section 4104 of this title shall be as follows:

"PHYSICIAN AND DENTIST SCHEDULE

"Chief grade, $15,665 minimum to $19,785 maximum.
"Senior grade, $13,615 minimum to $17,215 maximum.
"Intermediate grade, $11,725 minimum to $14,805 maximum.
"Full grade, $9,980 minimum to $12,620 maximum.
"Associate grade, $8,410 minimum to $10,650 maximum.

"NURSE SCHEDULE

"Assistant director grade, $13,615 minimum to $17,215 maximum.
"Chief grade, $11,725 minimum to $14,805 maximum.
"Senior grade, $9,980 minimum to $12,620 maximum.
"Intermediate grade, $8,410 minimum to $10,650 maximum.
"Full grade, $7,030 minimum to $9,100 maximum.
"Associate grade, $6,090 minimum to $7,890 maximum.
"Junior grade, $5,235 minimum to $6,810 maximum.

"(b) No person may hold the director grade unless he is serving as a director of a hospital, domiciliary, center, or outpatient clinic (independent). No person may hold the executive grade unless he holds the position of chief of staff at a hospital, center, or outpatient clinic (independent), or the position of clinic director at an outpatient clinic, or comparable position."

SEC. 803. (a) Section 4108 of such title 38 which formerly prescribed the maximum amount of pay and allowances for medical, surgical, 72 Stat. 1246.

or dental specialists of the Department of Medicine and Surgery of the Veterans' Administration is amended, effective on the date of enactment of this Act, to read as follows:

"§ 4108. Administration

"Notwithstanding any law, Executive order, or regulation, the Administrator shall prescribe by regulation the hours and conditions of employment and leaves of absence of physicians, dentists, and nurses.".

38 USC 4101-4115.

(b) The table of contents of chapter 73 of such title 38 is amended by striking out

"4108. Specialist ratings."

and inserting in lieu thereof

"4108. Administration."

DIRECTORS OF HOSPITALS, DOMICILIARIES, AND CENTERS

72 Stat. 1247.

SEC. 804. Section 4111(b) of such title 38, relating to the annual salary of certain individuals serving as director of a hospital, domiciliary, or center, is amended, effective on the date of enactment of this Act, to read as follows:

"(b) Notwithstanding any other provision of law, the per annum salary rate of each individual serving as a director of a hospital, domiciliary, or center who is not a physician in the medical service shall not be less than the rate of salary which he would receive under section 4107 of this title if his service as a director of a hospital, domiciliary, or center had been service as a physician in the director grade. This subsection shall not affect the allocation of any position of director of a hospital, domiciliary, or center to any grade of the General Schedule of the Classification Act of 1949, except with respect to changes in rate of salary pursuant to the preceding sentence, and shall not affect the applicability of the Performance Rating Act of 1950 to any individual."

Ante, p. 860.

Ante, p. 843.
5 USC 1113.

64 Stat. 1098.
5 USC 2001 note.

SEC. 805. Except as otherwise expressly provided in this title, this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

Effective date.

TITLE V—FOREIGN SERVICE ACT OF 1946

SHORT TITLE

Foreign Service Salary Reform Act of 1962.

SEC. 901. This title may be cited as the "Foreign Service Salary Reform Act of 1962".

FOREIGN SERVICE OFFICERS

60 Stat. 1003; 72 Stat. 211.

SEC. 902. The fourth sentence of section 412 of the Foreign Service Act of 1946, as amended (22 U.S.C. 867), is amended to read as follows:

"On the first day of the first pay period which begins on or after the date of enactment of the Foreign Service Salary Reform Act of 1962, the per annum salaries of Foreign Service officers within each of the other classes shall be as follows:

"Class 1	$18,975	$19,650					
Class 2	15,900	16,400	$16,900	$17,400	$17,900	$18,400	$18,900
Class 3	13,440	13,885	14,330	14,775	15,220	15,665	16,110
Class 4	11,150	11,515	11,880	12,245	12,610	12,975	13,340
Class 5	9,315	9,620	9,925	10,230	10,535	10,840	11,145
Class 6	7,705	7,960	8,215	8,470	8,725	8,980	9,235
Class 7	6,475	6,690	6,905	7,120	7,335	7,550	7,765
Class 8	5,540	5,725	5,910	6,095	6,280	6,465	6,650

"On the first day of the first pay period which begins on or after January 1, 1964, the per annum salaries of Foreign Service officers within each of the other classes shall be as follows:

"Class 1	$18,975	$19,650					
Class 2	15,900	16,400	$16,900	$17,400	$17,900	$18,400	$18,900
Class 3	14,265	14,735	15,205	15,675	16,145	16,615	17,085
Class 4	11,725	12,110	12,495	12,880	13,265	13,650	14,035
Class 5	9,695	10,015	10,335	10,655	10,975	11,295	11,615
Class 6	8,090	8,355	8,620	8,885	9,150	9,415	9,680
Class 7	6,810	7,035	7,260	7,485	7,710	7,935	8,160
Class 8	5,795	5,990	6,185	6,380	6,575	6,770	6,965".

FOREIGN SERVICE STAFF OFFICERS AND EMPLOYEES

SEC. 903. Section 415 of such Act is amended to read as follows: 60 Stat. 1003; 72 Stat. 212.
"SEC. 415. (a) Effective on the first day of the first pay period which begins on or after the date of enactment of the Foreign Service Salary Reform Act of 1962, there shall be ten classes of Foreign Service staff officers and employees, referred to hereafter as staff officers and employees, and the per annum salaries of staff officers and employees within each class shall be as follows: 22 USC 870.

"Class 1	$13,440	$13,885	$14,330	$14,775	$15,220	$15,665	$16,110	$16,555	$17,000	
Class 2	11,150	11,515	11,880	12,245	12,610	12,975	13,340	13,705	14,070	
Class 3	9,315	9,620	9,925	10,230	10,535	10,840	11,145	11,450	11,755	
Class 4	7,705	7,960	8,215	8,470	8,725	8,980	9,235	9,490	9,745	
Class 5	6,910	7,140	7,370	7,600	7,830	8,060	8,290	8,520	8,750	$8,980
Class 6	6,225	6,435	6,645	6,855	7,065	7,275	7,485	7,695	7,905	8,115
Class 7	5,610	5,800	5,990	6,180	6,370	6,560	6,750	6,940	7,130	7,320
Class 8	5,060	5,230	5,400	5,570	5,740	5,910	6,080	6,250	6,420	6,590
Class 9	4,575	4,725	4,875	5,025	5,175	5,325	5,475	5,625	5,775	5,930
Class 10	4,110	4,250	4,390	4,530	4,670	4,825	4,980	5,135	5,290	5,445

"On the first day of the first pay period which begins on or after January 1, 1964, the per annum salaries of staff officers and employees within each class shall be as follows:

"Class 1	$14,265	$14,735	$15,205	$15,675	$16,145	$16,615	$17,085	$17,555	$18,025	
Class 2	11,725	12,110	12,495	12,880	13,265	13,650	14,035	14,420	14,805	
Class 3	9,695	10,015	10,335	10,655	10,975	11,295	11,615	11,935	12,255	
Class 4	8,090	8,355	8,620	8,885	9,150	9,415	9,680	9,945	10,210	
Class 5	7,295	7,535	7,775	8,015	8,255	8,495	8,735	8,975	9,215	$9,455
Class 6	6,570	6,785	7,000	7,215	7,430	7,645	7,860	8,075	8,290	8,505
Class 7	5,890	6,085	6,280	6,475	6,670	6,865	7,060	7,255	7,450	7,645
Class 8	5,270	5,445	5,620	5,795	5,970	6,145	6,320	6,495	6,670	6,845
Class 9	4,715	4,870	5,025	5,180	5,335	5,490	5,645	5,800	5,955	6,110
Class 10	4,215	4,355	4,495	4,635	4,775	4,915	5,060	5,215	5,370	5,525

"(b) Notwithstanding the provisions of subsection (a) of this section, the Secretary may, under such regulations as he may prescribe, classify positions at levels below class 10, and establish salary rates therefor at lower rates than those prescribed by this section, for American employees recruited abroad who are not available or are not qualified for transfer to another post and who perform duties of a more routine nature than are generally performed at the class 10 level."

CONVERSION

SEC. 904. Foreign Service officers, Reserve officers, and Foreign Service staff officers and employees who are entitled to receive basic compensation immediately prior to the effective date of this title at one of the rates provided by section 412 or 415 of the Foreign Service Act of 1946, shall receive basic compensation on and after the effective date of this title at the rate of their class determined to be appropriate Supra.

by the Secretary of State: *Provided*, That staff officers and employees shall be transferred to the new staff classes established by this Act as follows:

Present class under section 415 of the Foreign Service Act of 1946	Corresponding new class under section 415 of the Foreign Service Act of 1946, as amended
FSS- 1	FSS- 1
FSS- 2	FSS- 1
FSS- 3	FSS- 2
FSS- 4	FSS- 2
FSS- 5	FSS- 3
FSS- 6	FSS- 3
FSS- 7	FSS- 4
FSS- 8	FSS- 5
FSS- 9	FSS- 6
FSS-10	FSS- 7
FSS-11	FSS- 8
FSS-12	FSS- 9
FSS-13	FSS-10
FSS-14 and below	[1]

[1] Remain at present class and salary rate until revised pursuant to new section 415(b).

CONFORMING AMENDMENTS

74 Stat. 837. 22 USC 1017.

SEC. 905. The heading of section 642 of the Foreign Service Act of 1946 is amended by deleting the words "and longevity" and section 642 is amended by deleting "(a)" in the first paragraph and by deleting subsection (b) in its entirety.

EFFECTIVE DATE

SEC. 906. Except as otherwise expressly provided in this title, this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

TITLE VI—MISCELLANEOUS SALARY PROVISIONS

REVISION OF SALARY LIMITATIONS FOR CERTAIN SCIENTIFIC AND PROFESSIONAL POSITIONS

SEC. 1001. (a)(1) Section 2(b) of the Act of August 1, 1947 (Public Law 313, Eightieth Congress, as amended (75 Stat. 789; 5 U.S.C. 1161–1163)), relating to the rates of compensation of certain scientific or professional positions, is amended to read as follows:

"(b) The per annum rates of compensation for positions established pursuant to the provisions of this Act shall not be less than the minimum rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act and shall be subject to the approval of the United States Civil Service Commission.".

Ante, p. 843.

(2) The first section of such Act is amended by adding at the end thereof the following new subsection:

75 Stat. 789. 5 USC 1161.

"(g) the Librarian of Congress is authorized to establish and fix the compensation for not more than eight scientific or professional positions in the Library of Congress, each such position being established to carry out research and development functions of the Library which require the services of specially qualified personnel. Section 2(a) shall not apply to positions established under this subsection."

70A Stat. 118.

(b) Section 1581(b) of title 10 of the United States Code, relating to the rates of compensation of certain scientific or professional positions in the Department of Defense, is amended to read as follows:

"(b) Subject to the Civil Service Commission's approval as to rates, the Secretary may fix the compensation for positions established under

subsection (a). However, the per annum compensation may not be less than the minimum rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act.". Ante, p. 843.

(c) Section 4 of the Act of May 29, 1959 (73 Stat. 63; Public Law 86–36), as amended by section 204 of the Act of October 4, 1961 (75 Stat. 791; Public Law 87–367), authorizing scientific and professional positions in the National Security Agency, is amended by striking out ", as amended by paragraph (34)(B) of the first section of the Act of September 2, 1958 (72 Stat. 1456; Public Law 85–861)". 50 USC 402 note. 10 USC 1581.

(d) The proviso contained in the first sentence of section 208(g) of the Public Health Service Act, as amended (42 U.S.C. 210(g)), relating to the rates of compensation of certain scientific, professional, and administrative personnel in the Public Health Service, is amended to read as follows: ": *Provided*, That the rates of compensation for positions established pursuant to the provisions of this subsection shall not be less than the minimum rate of grade 16 of the General Schedule of the Classification Act of 1949, as amended, nor more than the highest rate of grade 18 of the General Schedule of such Act, and shall be subject to the approval of the Civil Service Commission.". 64 Stat. 447. Ante, p. 843.

(e) The proviso contained in the second sentence of section 12 of the Act of May 29, 1884 (62 Stat. 198 as amended and supplemented; 21 U.S.C. 113a), authorizing the Secretary of Agriculture to employ and fix the compensation of technical experts and scientists for research and study of foot-and-mouth disease and other animal diseases, is amended to read as follows: ": *Provided*, That the number so employed shall not exceed five and that the maximum compensation for each shall not exceed the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended.".

(f) Section 203(b)(2) of the National Aeronautics and Space Act of 1958 (72 Stat. 429; 42 U.S.C. 2473(b)(2)), as amended, authorizing the Administrator of the National Aeronautics and Space Administration to establish and fix the compensation of four hundred and twenty-five scientific, engineering, and administrative positions, is amended by striking out, in the second sentence, ", except that (A) to the extent the Administrator deems such action necessary to the discharge of his responsibilities, he may appoint and fix the compensation (up to a limit of $19,000 a year, or up to a limit of $21,000 a year for a maximum of thirty positions) of" and by inserting in lieu thereof ", except that (A) to the extent the Administrator deems such action necessary to the discharge of his responsibilities, he may appoint and fix the compensation (at not to exceed the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended, or, for a maximum of thirty positions, not to exceed $21,000 a year) of". 75 Stat. 791.

(g) That part of the proviso in section 161d. of the Atomic Energy Act of 1954, as amended (71 Stat. 613; 42 U.S.C. 2201), fixing a limit of $19,000 on the compensation of scientific and technical personnel, is amended by striking out the words "up to a limit of $19,000)" and inserting in lieu thereof "up to a limit of the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended)". 68 Stat. 948.

(h) Section 302(f) of the Federal Aviation Act of 1958 (72 Stat. 746; 49 U.S.C. 1343(d)), as amended, authorizing the Administrator of the Federal Aviation Agency to select, employ, and fix the compensation of 23 positions at rates not to exceed $19,500 per annum, is amended by striking out "$19,500 per annum" and inserting in lieu thereof "the highest rate of grade 18 of the General Schedule of the Classification Act of 1949, as amended". 75 Stat. 791.

(i) Section 2 of the Act of June 14, 1948, as amended (62 Stat. 441; 66 Stat. 43; 22 U.S.C. 290a), relating to the compensation of the United States representative and alternate on the Executive Board of the World Health Organization, is amended by striking out "Such representative shall be entitled to receive compensation at a rate not to exceed $12,000 per annum and any such alternate shall be entitled to receive compensation at a rate not to exceed $10,000 per annum", and inserting in lieu thereof "Such representative and any such alternate shall each be entitled to receive compensation at one of the rates provided by section 412 of the Foreign Service Act of 1946, as amended,".

Ante, p. 861.

(j) Section 104(b) of the Mutual Educational and Cultural Exchange Act of 1961 (75 Stat. 530; Public Law 87-256) authorizing the fixing of the compensation of not to exceed ten employees without regard to the Classification Act of 1949, is amended to read as follows:

22 USC 2454.

5 USC 1071 note.

"(b) The President is authorized to employ such other personnel as he deems necessary to carry out the provisions and purposes of this Act, and of such personnel not to exceed ten may be compensated without regard to the provisions of the Classification Act of 1949, as amended, but not in excess of the highest rate of grade 18 of the general schedule established by such Act. Such positions shall be in addition to the number authorized by section 505 of the Classification Act of 1949, as amended."

5 USC 1105.

(k)(1) Section 625(b) of the Foreign Assistance Act of 1961 (75 Stat. 449; Public Law 87-195), as amended, is amended by striking out "and of these, not to exceed eight may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year" and inserting in lieu thereof "but not in excess of the highest rate of grade 18 of such general schedule".

22 USC 2385.

(2) Section 625(c) of such Act is amended by striking out "and of these, not to exceed three may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year" and inserting in lieu thereof "but not in excess of the highest rate of grade 18 of such general schedule".

(l) Section 7(b) of the Peace Corps Act (75 Stat. 615; Public Law 87-293) is amended by striking out "and of these not to exceed two may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year" and inserting in lieu thereof "but not in excess of the highest rate of grade 18 of such general schedule".

22 USC 2506.

AGRICULTURAL STABILIZATION AND CONSERVATION COUNTY COMMITTEE EMPLOYEES

SEC. 1002. The rates of compensation of persons employed by the county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) shall be increased by amounts equal, as nearly as may be practicable, to the increases provided by title II of this part for corresponding rates of compensation in the appropriate schedule or scale of pay.

ASSISTANT UNITED STATES ATTORNEYS

SEC. 1003. (a) The last paragraph of section 508 of title 28 of the United States Code is amended to read as follows:

69 Stat. 10.

"Assistant United States attorneys and attorneys appointed under section 503 of this title—not more than $17,500."

(b) The rates of basic compensation of assistant United States attorneys whose basic salaries are fixed by section 508 of title 28, United States Code, shall be increased by 7½ per centum effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

EMPLOYEES IN THE JUDICIAL BRANCH

SEC. 1004. (a) The rates of basic compensation of officers and employees in or under the judicial branch of the Government whose rates of compensation are fixed by or pursuant to paragraph (2) of subdivision a of section 62 of the Bankruptcy Act (11 U.S.C. 102(a)(2)), section 3656 of title 18 of the United States Code, the third sentence of section 603, section 604(a)(5), or section 672 to 675 inclusive, of title 28 of the United States Code, or section 107(a)(6) of the Act of July 31, 1956, as amended (5 U.S.C. 2206(a)(6)), are hereby increased by two amounts, the first amount to be effective for the period beginning as of the first day of the first pay period which begins on or after the date of enactment of this Act, and ending immediately prior to the first day of the first pay period which begins on or after January 1, 1964, and the second amount to be effective on the first day of the first pay period which begins on or after January 1, 1964, and thereafter, which reflect the respective applicable increases provided by title II of this part in corresponding rates of compensation for officers and employees subject to the Classification Act of 1949, as amended.

60 Stat. 329.

70 Stat. 739.

63 Stat. 954.
5 USC 1071 note.

(b) The limitations provided by applicable law on the effective date of this section with respect to the aggregate salaries payable to secretaries and law clerks of circuit and district judges are hereby increased by two amounts, the first amount to be effective for the period beginning as of the first day of the first pay period which begins on or after the date of enactment of this Act, and ending immediately prior to the first day of the first pay period which begins on or after January 1, 1964, and the second amount to be effective on the first day of the first pay period which begins on or after January 1, 1964, and thereafter, which reflect the respective applicable increases provided by title II of this part in corresponding rates of compensation for officers and employees subject to the Classification Act of 1949, as amended.

(c) Section 753(e) of title 28 of the United States Code (relating to the compensation of court reporters for district courts) is amended by striking out the existing salary limitation contained therein and inserting a new limitation to be effective for the period beginning as of the first day of the first pay period which begins on or after the date of enactment of this Act, and ending immediately prior to the first day of the first pay period which begins on or after January 1, 1964, and a second new limitation effective on the first day of the first pay period which begins on or after January 1, 1964, and thereafter, which reflect the respective applicable increases provided by title II of this part in corresponding rates of compensation for officers and employees subject to the Classification Act of 1949, as amended.

62 Stat. 921.

EMPLOYEES IN THE LEGISLATIVE BRANCH

SEC. 1005. (a) Each officer and employee in or under the legislative branch of the Government whose rate of compensation is increased by section 5 of the Federal Employees Pay Act of 1946 shall be paid additional compensation at the rate of 7 per centum of his

74 Stat. 708.
5 USC 391, 392.

gross rate of compensation (basic compensation plus additional compensation authorized by law).

(b) The basic compensation of each employee in the office of a Senator is hereby adjusted, effective on October 16, 1962, to the lowest multiple of $60 which will provide a gross rate of compensation not less than the gross rate such employee was receiving immediately prior thereto, except that the foregoing provisions of this subsection shall not apply in the case of any employee if on or before the fifteenth day following the date of enactment of this Act the Senator by whom such employee is employed notifies the disbursing office of the Senate in writing that he does not wish such provisions to apply to such employee. In any case in which, at the expiration of the time within which a Senator may give notice under this subsection, such Senator is deceased such notice shall be deemed to have been given.

(c) Notwithstanding the provision referred to in subsection (d), the rates of gross compensation of the elected officers of the Senate (except the Presiding Officer of the Senate), the Legislative Counsel of the Senate, the Official Reporters of Debates of the Senate, the Parliamentarian of the Senate, the Senior Counsel in the Office of the Legislative Counsel of the Senate, and the Chief Clerk of the Senate are hereby increased by 7 per centum.

(d) The paragraph imposing limitations on basic and gross compensation of officers and employees of the Senate appearing under the heading "SENATE" in the Legislative Appropriation Act, 1956, as amended (74 Stat. 304; Public Law 86–568), is amended to read as follows:

"No officer or employee whose compensation is disbursed by the Secretary of the Senate shall be paid basic compensation at a rate in excess of $8,880 per annum, or gross compensation at a rate in excess of $18,880 per annum, unless expressly authorized by law."

(e) The limitation on gross rate per hour per person provided by applicable law on the effective date of this section with respect to the folding of speeches and pamphlets for the Senate is hereby increased by 7 per centum. The amount of such increase shall be computed to the nearest cent, counting one-half cent and over as a whole cent. The provisions of subsection (a) of this section shall not apply to employees whose compensation is subject to such limitation.

(f) Each officer or employee of the House of Representatives, whose compensation is disbursed by the Clerk of the House of Representatives and is not increased automatically, or is not permitted to be increased administratively, by reason of any other provision of this section, shall receive additional compensation at the rate of 7 per centum of the rate of his total annual compensation in effect immediately prior to the effective date of this section.

(g) The limitations on gross rate per thousand and gross rate per hour per person provided by applicable law on the effective date of this section with respect to the folding of speeches and pamphlets for the House of Representatives are hereby increased by 7 per centum. The amount of each such increase shall be computed to the nearest cent, counting one-half cent and over as a whole cent.

(h) The additional compensation provided by this section shall be considered a part of basic compensation for the purposes of the Civil Service Retirement Act (5 U.S.C. 2251 and the following). 70 Stat. 743.

(i) Notwithstanding any other provision of this section, no rate of compensation which exceeds $21,500 shall be increased by this section, and no increase provided by this section shall cause the gross rate of compensation (basic plus additional compensation authorized by law) or the total annual compensation of any officer or employee to exceed $21,500.

(j) Insofar as the provisions of this section apply to officers and employees whose compensation is based on a monthly pay period which begins on the first day of the month, such provisions shall become effective on October 16, 1962.

SAVING PROVISION

SEC. 1006. Notwithstanding any provision of this Act, no rate of basic, gross, or total annual compensation or salary shall be reduced by reason of the enactment of this Act.

ABSORPTION OF COSTS

SEC. 1007. (a) The departments, agencies, establishments, and corporations in the executive branch shall absorb the costs of the increases in basic compensation provided by this Act to the fullest extent possible without seriously affecting the immediate execution of essential functions.

(b) No request for additional or supplemental appropriations to meet the increases in basic compensation provided by this Act shall be transmitted to the Congress unless it is accompanied by a certification of the Director of the Bureau of the Budget that the amounts requested are necessary to provide for the continued execution of essential functions of the department, agency, or corporation concerned.

(c) Pursuant to the objective of this section, heads of the executive branch activities concerned are directed to review with meticulous care each vacancy resulting from voluntary resignation, retirement, or death and to determine whether the duties of the position can be reassigned to other employees or whether the position can be abolished without seriously affecting the execution of essential functions.

(d) Nothing contained in subsection (a) of this section shall be held or considered to require (1) the separation from the service of any individual by reduction in force or other personnel action or (2) the placing of any individual in a leave-without-pay status.

EFFECTIVE DATE

SEC. 1008. Except as otherwise expressly provided, this title shall become effective on the first day of the first pay period which begins on or after the date of enactment of this Act.

CEILING PROVISION

SEC. 1009. Except as provided in section 1005, no rate of compensation which exceeds $20,000 per annum shall be increased or established by or pursuant to this Act and no increase made by or pursuant to this Act shall cause any rate of compensation to exceed $20,000 per annum.

PART III—ADJUSTMENT OF ANNUITIES

SEC. 1101. (a) The annuity of each person who, on the effective date of this section, is receiving or entitled to receive an annuity from the civil service retirement and disability fund shall be increased by 5 per centum of the amount of such annuity.

(b) The annuity of each person who receives or is entitled to receive an annuity from the civil service retirement and disability fund commencing during the period which begins on the day following the effective date of this section and ends five years after such date, shall be increased in accordance with the following table:

If the annuity commences between—	The annuity shall be increased by—
January 2, 1963, and December 31, 1963	4 per centum
January 1, 1964, and December 31, 1964	3 per centum
January 1, 1965, and December 31, 1965	2 per centum
January 1, 1966, and December 31, 1966	1 per centum

(c) In lieu of any other increase provided by this section, the annuity of a survivor of a retired employee or Member of Congress who received an increase under this section shall be increased by a percentage equal to the percentage by which the annuity of such employee or Member was so increased.

(d) No increase provided by this section shall be computed on any additional annuity purchased at retirement by voluntary contributions.

(e) The limitation reading "or (3) the sum necessary to increase such annuity, exclusive of annuity purchased by voluntary contributions under the second paragraph of section 10 of this Act, to $2,160" contained in section 8(c)(1) of the Civil Service Retirement Act of May 29, 1930, as amended by the Acts of July 16, 1952 (66 Stat. 722; Public Law 555, Eighty-second Congress), and August 31, 1954 (68 Stat. 1043; Public Law 747, Eighty-third Congress), shall not be effective on or after the effective date of this section.

5 USC 736c.

(f) The limitation contained in the next to the last sentence of section 8(d)(1) of the Civil Service Retirement Act of May 29, 1930, as amended, as enacted by the Act of August 11, 1955 (69 Stat. 692; Public Law 369, Eighty-fourth Congress), shall not be effective on and after the effective date of this section.

5 USC 736c.

(g) The increases provided by this section shall take effect on the effective date of this section, except that any increase under subsection (b) or (c) shall take effect on the beginning date of the annuity.

(h) The monthly installment of annuity after adjustment under this section shall be fixed at the nearest dollar.

70 Stat. 743.
5 USC 2251.

SEC. 1102. (a) Section 1 of the Civil Service Retirement Act is amended by adding at the end thereof the following new subsection:

"(t) The term 'price index' shall mean the annual average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics."

5 USC 2251 note.

(b) Such Act is further amended by redesignating section 18 as 19, and by inserting after section 17 the following new section:

"COST-OF-LIVING ADJUSTMENT OF ANNUITIES

"SEC. 18. (a) After January 1, 1964, and after each succeeding January 1, the Commission shall determine the per centum change in the price index from the later of 1962 or the year preceding the most recent cost-of-living adjustment to the latest complete year. On the basis of such Commission determination, the following adjustments shall be made:

"(1) Effective April 1, 1964, if the change in the price index from 1962 to 1963 shall have equaled a rise of at least 3 per centum, each annuity payable from the fund which has a commencing date earlier than January 2, 1963, shall be increased by the per centum rise in the price index adjusted to the nearest one-tenth of 1 per centum.

"(2) Effective April 1 of any year other than 1964 after the price index change shall have equaled a rise of at least 3 per centum, each annuity payable from the fund which has a commencing date earlier than January 2 of the preceding year shall be increased by the per centum rise in the price index adjusted to the nearest one-tenth of 1 per centum.

"(b) Eligibility for an annuity increase under this section shall be governed by the commencing date of each annuity payable from the fund as of the effective date of an increase, except as follows:

"(1) Effective from the date of the first increase under this section, an annuity payable from the fund to an annuitant's survivor (other than a child entitled under section 10(d)), which annuity commenced the day after the annuitant's death, shall be increased as provided in subsection (a)(1) or (a)(2) if the commencing date of annuity to the annuitant was earlier than January 2 of the year preceding the first increase. 70 Stat. 754. 5 USC 2260.

"(2) Effective from its commencing date, an annuity payable from the fund to an annuitant's survivor (other than a child entitled under section 10(d)), which annuity commences the day after the annuitant's death and after the effective date of the first increase under this section, shall be increased by the total per centum increase the annuitant was receiving under this section at death.

"(3) For purposes of computing an annuity which commences after the effective date of the first increase under this section to a child under section 10(d), the items $600, $720, $1,800, and $2,160 appearing in section 10(d) shall be increased by the total per centum increase allowed and in force under this section, and, in case of a deceased annuitant, the items 40 per centum and 50 per centum appearing in section 10(d) shall be increased by the total per centum increase allowed and in force under this section to the annuitant at death. Effective from the date of the first increase under this section, the provisions of this paragraph shall apply as if such first increase were in effect with respect to computation of a child's annuity under section 10(d) which commenced between January 2 of the year preceding the first increase and the effective date of the first increase.

"(c) No increase in annuity provided by this section shall be computed on any additional annuity purchased at retirement by voluntary contributions.

"(d) The monthly installment of annuity after adjustment under this section shall be fixed at the nearest dollar."

SEC. 1103. (a) Section 9(g) of the Civil Service Retirement Act is amended to read as follows: 5 USC 2259.

"(g) The annuity as hereinbefore provided (excluding any increase because of retirement under section 7) for any married employee or Member retiring under this Act, or any portion of such annuity designated in writing for purposes of section 10(a)(1), shall be reduced by 2½ per centum of so much thereof as does not exceed $3,600 and by 10 per centum of so much thereof as exceeds $3,600, unless the employee or Member notifies the Commission in writing at the time of retirement that he does not desire his wife or husband to receive an annuity as provided in section 10(a)(1)." 5 USC 2257. Infra.

(b) Section 10(a)(1) of such Act is amended to read as follows: 70 Stat. 754.

"(1) If an employee or Member dies after having retired under any provision of this Act and is survived by a wife or husband to whom the employee or Member was married at the time of retirement, such wife or husband shall be paid an annuity equal to 55 per centum of an annuity computed as provided in subsections (a), (b), (c), (d), (e), and (f) of section 9, as may apply with respect to the annuitant, or of such portion thereof as may have been designated in writing for such purpose by the employee or Member at the time of retirement, unless the employee or Member has notified the Commission in writing at the time of retirement that he does not desire his wife or husband to receive such annuity." 5 USC 2260. 5 USC 2259.

(c) Section 10(b) of such Act is amended by striking out "50 per centum" and inserting in lieu thereof "55 per centum".

(d) Section 10(c) of such Act is amended by striking out "50 per centum" and inserting in lieu thereof "55 per centum".

(e) Section 10(e) of such Act is amended by striking out "50 per centum" and inserting in lieu thereof "55 per centum".

5 USC 2251. (f)(A) Section 1(j) of the Civil Service Retirement Act is amended by substituting a comma for the period at the end thereof and adding the following: "or such unmarried child between eighteen and twenty-one years of age who is a student regularly pursuing a full-time course of study or training in residence in a high school, trade school, technical or vocational institute, junior college, college, university, or comparable recognized educational institution. A child whose twenty-first birthday occurs prior to July 1 or after August 31 of any calendar year, and while he is regularly pursuing such a course of study or training, shall be deemed for the purposes of this paragraph and section 10(d) to have attained the age of twenty-one on the first day of July following such birthday. A child who is a student shall not be deemed to have ceased to be a student during any interim between school years if the interim does not exceed four months and if he shows to the satisfaction of the Commission that he has a bona fide intention of continuing to pursue a course of study or training in the same or different school during the school semester (or other period into which the school year is divided) immediately following the interim."

5 USC 2260.

(B) The third sentence of section 10(d) of the Act is amended to read as follows: "The child's annuity shall commence on the day after the employee or Member dies, and such annuity granted under this Act or under the Act of May 29, 1930, as amended from and after February 28, 1948, or any right thereto shall terminate on the last day of the month before (1) his attaining age eighteen unless incapable of self-support, (2) his becoming capable of self-support after age eighteen, (3) his marriage, or (4) his death, except that the annuity of a child who is a student as described in section 1(j) shall terminate on the last day of the month before (1) his marriage, (2) his death, (3) his ceasing to be such a student, or (4) his attaining age twenty-one."

5 USC 2251 note.

Effective date. SEC. 1104. Section 1101 of this part shall take effect on January 1, 1963. The amendments made by section 1103 (except subsection (f)) shall not apply in the case of employees or Members retired or otherwise separated prior to the date of enactment of this Act, and the rights of such persons and their survivors shall continue in the same manner and to the same extent as if these amendments had not been enacted.

Approved October 11, 1962, 9:30 a.m.

FOR IMMEDIATE RELEASE, OCTOBER 11, 1962

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

REMARKS OF THE PRESIDENT
UPON THE SIGNING OF H. R. 7927,
AN ACT TO ADJUST POSTAL RATES, AND
FOR OTHER PURPOSES

I am delighted to approve H. R. 7927, which is a bill adjusting postal rates, reforming Federal white-collar statutory salary systems, and establishing a standard for adjusting annuities under the Civil Service Retirement Act.

The new Postal rates will yield on an annual basis about $600 million of new postal revenues. This is consistent with the fiscal principles I have advocated and is an important step toward a self-sustaining postal system and toward a substantial reduction in the postal deficit.

The new pay legislation is the most comprehensive and significant salary revision in nearly 40 years. It establishes for the first time a basic salary policy, a method for annual review and updating of salaries, coordination among major statutory salary systems, and broad reforms and increased flexibilities under the Classification Act.

It is not merely a salary-increase statute. It furnishes a foundation for adjusting and continuously maintaining Federal salaries comparable to levels of equal difficulty and responsibility in private enterprise. Ultimately it will permit us to prevent large scale attrition of government employees due to more attractive private industry salaries. At the same time, it should not have an unsettling effect on private enterprise salary rates. By helping to reduce turnover, by attracting more capable people into the Federal service, and by improving employee morale, this legislation will make an important contribution to increased productivity.

The provision of higher salaries for Federal employees and the plan to maintain these salaries at a level comparable to the salaries paid in the private economy places an added obligation upon Federal managers to make certain that the Government's business is carried on with the minimum number of personnel. To this end I am separately issuing to all Departments and agencies of the Executive Branch a memorandum which will set forth a program to achieve better manpower controls and utilization.

This legislation also establishes objective standards for adjusting annuities payable in the future under the Civil Service Retirement Act. This is a long overdue reform.

As Congress recognized in enacting this legislation, a

(MORE)

Over

number of items now require further attention and I am instructing the Executive agencies to pursue these matters promptly. Of first priorities for the Executive Branch are completion of the partial adjustment in the top career salaries made by the Congress and the pay revision of the highest executive salaries, so that sound relationships among all pay levels are achieved. In this connection, I believe that corresponding reforms in salary structure are desirable in the Congressional and Judicial branches of Government and should be accomplished early in the next Congress.

I want to express my appreciation to all the Members of the House and Senate who were involved. Some of those who were most active are here today. We are also glad to have represented today the leaders of many of the organizations which help serve the interests of the employees of the Federal Government. I think that because the power to strike is denied, quite properly, to Federal employees, I think it is most important that we recognize our responsibility, the Congress and the Executive, to them.

As I said, as these salaries become more in keeping with the salaries in private industry, it is also important that we maintain a comparable rate of productivity increase possible to the extent that Government work permits. I hope that the statement we issue later in the day will stimulate action by responsible officials in the National Government.

END

IMMEDIATE RELEASE OCTOBER 11, 1962

Office of the White House Press Secretary

THE WHITE HOUSE

EXECUTIVE ORDER

- - - - - -

ASSIGNING TO THE CIVIL SERVICE COMMISSION
CERTAIN AUTHORITY WITH RESPECT TO FEDERAL SALARIES

By virtue of the authority vested in me by the last sentence of Subsection (a) and Subsection (b) of Section 504 of the Federal Salary Reform Act of 1962 (which Act constitutes Part II of the Postal Service and Federal Employees Salary Act of 1962, Public Law 87- , approved October 11, 1962), and as President of the United States, it is ordered as follows:

The Civil Service Commission is hereby designated and authorized to exercise the authority conferred upon the President by the provisions of Subsections (a) and (b) of Section 504 of the Federal Salary Reform Act of 1962 to make certain findings and to establish and revise certain rates of basic compensation, to the extent that that authority pertains to positions compensated under Section 603 (b) of the Classification Act of 1949, as amended (5 U.S.C. 1113(b)).

JOHN F. KENNEDY

THE WHITE HOUSE,

October 11, 1962.

# # # # # # #

[illegible] to a minimum. To strengthen the Government's manpower control program, I have directed that the following actions be taken:

1) Detailed employment plans as well as expenditure plans will be submitted by each Department and Agency in connection with the annual budget review.

2) Such plans will be expected to reflect increases in employee productivity -- that is, it is to be expected that the same amount of work will be performed by increasingly fewer people, and the number of employees will not increase proportionately with in-

MORE

Over

FOR RELEASE AT 10:00 a.m. (EDT) October 11, 1962

Office of the White House Press Secretary

THE WHITE HOUSE

MEMORANDUM TO THE HEADS OF DEPARTMENTS AND AGENCIES

Subject: Improving Manpower Controls and Utilization in the Executive Branch

On several occasions I have emphasized the importance of actions to limit the number of Federal employees to the absolute minimum necessary to get the public business done. We can accomplish this objective only if strong efforts are made by every department and agency head to achieve increases in productivity and efficiency, to use better techniques of management, and to add staff only on the basis of demonstrated need to carry out essential activities.

Congress has now enacted legislation, along the lines of the proposal made to the Congress last January, to provide pay scales more nearly to the level of those prevailing in the private economy. I am confident that this will reduce turnover, attract more capable people into the Federal Service, and improve employee morale. It will thus make a direct and and substantial contribution to increased productivity. An added obligation is therefore placed on the executive branch to make certain that essential programs are carried out with the minimum of personnel.

It is most important to recognize that responsibility for manpower control and utilization in the Federal Government rests squarely on the top management of each agency. Without your continuing attention and support, it will not be possible to hold new requests for personnel to bedrock levels, to abolish marginal jobs, and to increase employee productivity. Where rules, regulations, or laws restrict you in carrying out this objective, I will expect you to make these facts known promptly and to suggest solutions.

Employment needs are decreased as productivity rises and as ongoing programs can be reduced or terminated. At the same time it is recognized that new programs or expansion of existing programs will result in increased employment, to the extent that increased manpower needs cannot be offset by greater productivity. It is essential that employment plans be scrutinized at every level to make sure that every opportunity for decreases is seized and increases, where necessary, are held to an absolute minimum. This is vital not only because civilian salaries account for a substantial part of the Federal budget, but equally important -- especially in such fields as engineering, science, and medicine -- because the Federal Government is competing for a scarce supply of manpower. The best utilization of manpower is therefore important not only to keep budget costs down but to maximize our national security and our economic growth.

I have recently completed a review of our present system for determining manpower requirements and for holding the number of Federal employees to a minimum. To strengthen the Government's manpower control program, I have directed that the following actions be taken:

1) Detailed employment plans as well as expenditure plans will be submitted by each Department and Agency in connection with the annual budget review.

2) Such plans will be expected to reflect increases in employee productivity -- that is, it is to be expected that the same amount of work will be performed by increasingly fewer people, and the number of employees will not increase proportionately with in-

MORE

Over

creases in programs.

3) The Bureau of the Budget will give increased scrutiny to these employment plans and keep me informed. In addition, the Bureau will strengthen and update present instructions to the departments and agencies concerning the establishment of adequate machinery and methods to increase efficiency and hold down employment.

4) Each Department and Agency will be required to submit to the Bureau of the Budget for review at an early date its over-all program for manpower control and manpower utilization. I expect each department and agency head to give personal attention to this matter.

5) All agencies are requested to undertake increased efforts to search out and apply the most modern and effective means used in either Government or private industry to increase efficiency and output. There are many cases where such productivity has increased rapidly in recent years -- the Internal Revenue Service, the Customs Bureau, the Census Bureau, the Passport Office, and many other parts of Government can be cited as good illustrations. I should like these efforts broadened and expanded. Central research to assist in this effort will be conducted by the Bureau of the Budget and the Civil Service Commission. As an illustration, the Bureau has undertaken, in cooperation with several agencies, a research and demonstration project in five different units of Government to develop methods for measuring over-all agency productivity and for using such measures for improved manpower control.

6) The Bureau of the Budget, the Civil Service Commission, and the departments and agencies will undertake a systematic program of manpower inspections and reviews. The priority and scheduling of these inspections will be worked out under the leadership of the Bureau of the Budget, and will be carried out by staff of the Bureau, the Commssion, and the agency concerned. The special inquiries into manpower utilization practices currently made by the Civil Service Commission will become a part of this new program. The inspections will be made on a selective basis which will give priority attention to areas where the most significant problems and potential savings exist. While every agency cannot be reviewed each year, it may be desirable to review certain agencies annually or more frequently. The inspections will be designed to test the effectiveness of agency systems for manpower analysis and control, and to assist the departments and agencies in discovering opportunities for better use of manpower resources that are available. The results of these reviews will be reported to the head of each agency promptly, for immediate attention and such action as is necessary. I have asked to be kept informed of the findings and recommendations that are made, and the action taken.

7) The Congress, in enacting the Postal Service and Federal Employee Salary Act of 1962, included a provision that "the departments, agencies, establishments, and corporations in the executive branch shall absorb the cost of the increases in basic compensation provided by this Act to the fullest extent possible without seriously affecting the immediate execution of essential functions." It further provides that "the heads of the executive branch activities concerned are directed to review with meticulous care each vacancy resulting from voluntary resignations, retirement, or death, and to determine whether the duties of the position can be reassigned to other employees or whether the position can be abolished without seriously affecting the execution of essential functions." I am in full agreement with this

statement of policy and will look to the Director of the Bureau of the Budget to advise me with respect to the observance of this policy in connection with any supplemental appropriations required to carry out that Act.

* * * * *

I regard the program outlined in this memorandum as of the highest importance to good management in the executive branch. If we carry it out firmly, I am confident that productivity in the Federal Government can continue to keep pace with the growth of productivity in the private sector of the economy. Such an accomplishment would translate into tens of thousands of Federal jobs that either could be eliminated or would not have to be added to the present numbers.

I am sure that these measures and objectives will have your strong personal support.

(s)
John F. Kennedy

# # # # # # #

468-A
62
3

S540E